Labor Under Industrial Codes *(Page 11)* **U. K's. Threat to Canada's Farms** *(Page 16)*

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

OVER FOUR PAGES OF MINING NEWS THIS WEEK

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The Nation's Business

Prestidigitator of Money Shows His Subtle Art
Who Understands Major Douglas?
A Needed Reform on Stock Exchange
Wheat Parley Fails To Face Facts
Canada's Chief Export Still Endangered
Ottawa's Authority Over Insurance

Magician of Money

FOR $500 expense money the Banking and Commerce Committee got from Major Douglas solutions for all our fiscal, monetary, railway and economic problems. Isn't it too bad the committee did not give Major Douglas a thousand dollars and throw in a few more problems?

There are two magnetic appeals in Major Douglas's philosophy. It's mysterious. No one completely understands it, possibly not even Major Douglas. And anything to add mystery to the monetary mechanism has a popular following today.

It promises something for nothing. There is to be money for anyone. The banks will fill a role similar to that played in the old days by the town pump. Fill your pail; it's free and no questions asked; that's the formula. (Under the Douglas scheme the pump is guaranteed not to run dry and there is no doubt of the water being good).

It's financial legerdemain; like sawing a woman in two or picking a rabbit out of a man's pocket. Magicians do not slice up human bodies and theatregoers do not take a pocketful of rabbits with them. But the magician almost makes you believe that both are done.

The Financial Post recently attempted an analysis of the Douglas plan of Social Credit. Already the letters are pouring into the office from perfervid Douglasites to show that our mistake was in misinterpreting the Douglas scheme. Each letter offers a different interpretation.

Maybe it's done with mirrors.

* * *

Financing by Options Is Public Danger

THE recent merger of the Toronto Stock Exchange and the Standard Stock and Mining Exchange gave Canada a security trading centre commensurate with the world wide importance of our gold and other mining developments. Likewise it made the Toronto Stock Exchange a larger marketplace for industrial and financial securities.

Quietly the directors of the Exchange have been exercising commendable vigilance in preventing practices that might take unfair advantage of the investing and trading public. When it was recently made known that the exchange was investigating the gyrations of certain stocks the public was given merely a hint of the internal policing that is constantly carried on.

* * *

SO FORWARD looking and constructive a policy must in justice to the exchange itself be carried to the limit. There are some practices on which two opinions as to their essential fairness and justice are possible. It is not easy to decide what is right and what is wrong. But if there is any doubt at all the public should be given the benefit of it.

Such a practice is the one of permitting members of the exchange to finance mining promotions by means of options on treasury shares to be sold to the public through the exchange. It is a practice that has some merit but that is capable of great abuses. A market that is supporting not only the ordinary day to day trading of investors but also the issuance of large new blocks of treasury shares must inevitably be a rather artificial market, one that is the product of sponsorship more than of net trading results. The abuses can not be adequately controlled unless the whole system of listing stocks on which brokers hold treasury options is definitely limited in scope or made the subject of the most open publicity for all contracts and option arrangements.

The matter is one to which the directors of the exchange might give consideration in the public interest and for the future goodwill of the exchange itself.

* * *

Still Playing Football With Our Chief Product

THE first thing to be noted about the new proposals evolved at Rome for the governing of wheat prices is that they constitute an acknowledgment of the failure of

(Continued on page 2, col. 3)

PETE OUTPUT IS INCREASING PRICES BETTER

Peruvian Output Grows But U. S. Tax Hampers Colombia

REFINING 30 P.C.

Canada Takes 23, U. S. 35, Europe 32 and Central and South America 10 Per Cent

In the first quarter of 1934 International Petroleum production has been at a greater rate than that shown for 1933 as a whole. The total production in both Peru and Colombia was 6,250,423 barrels from January to March inclusive, which is at a rate of 25,001,692 barrels for the year whereas the total was 24,363,003 barrels in 1933 and 24,052,806 barrels in 1932.

Peru's output in the first quarter was 3,317,025 barrels of crude oil, which is at the rate of 13,268,100 barrels yearly whereas the total production in 1933 was 11,205,362 barrels and in 1932 7,635,681 barrels. Production of natural gas gasoline totalled 936,937 barrels, 2,567 barrels daily, as compared with 783,605 barrels, or a daily average of 2,151 barrels in 1932. During the year 43 old wells were reconditioned and one new well was drilled. The number of producing wells on the property at December 31, 1933, was 1,808.

Colombia Output Less

Colombia's output has been declining. The first quarter's output of 2,933,398 barrels of crude oil is at the rate of 11,733,592 barrels a year whereas the total output in 1933 was 13,157,641 barrels and 16,417,641 barrels in 1932. This curtailment, the president, G. Harrison Smith, attributes in considerable measure to the United States import tax which became effective June 1, 1932.

Drilling in 1933 was restricted to proven areas, 15 new wells being completed on the La Cira structure. The average daily initial output per well of the new producers was 742 barrels. The number of producing wells on the property at December 31, 1933, was 667. Production of natural gas gasoline totalled 441,589 barrels, an average of 1,210 barrels daily, as compared with 446,951 barrels, or a daily average of 1,221 barrels during 1932.

Repressuring

Both the Colombian field and the Peruvian field are operating under modern methods of repressuring and gas control. These methods increase the ultimate recovery and prolong the life of the wells.

Local Markets Take More

The local markets in Colombia and Peru absorbed approximately 2,770,275 barrels of refined products and the total export shipments amounted to 17,262,106 barrels of crude oil and 4,441,310 barrels of refined products. Of the total exports of crude oil and refined products from Colombia and Peru 23 per cent were imported by Imperial Oil into Canada. Of the balance 10 per cent went to Central and South American countries, 35 per cent to the United States of America and 32 per cent to Europe.

Pays $14,524,088 Yearly

International Petroleum Co. does not publish a financial statement. Its income is therefore a matter of conjecture as a result of considering its dividend payments and its output of crude oil as shown by monthly reports from time to time. It is plain that it must earn at least $14,524,088 on the average to pay dividends on its stock at the rate of $1 a share and that of that amount it must pay about $8,507,971 to Imperial Oil which holds 58 per cent of the stock. The rise in the price of crude oil in the United States was of great benefit to it in 1933 because part of its output is sold in the United States and Canada, as shown above, and the world price on other sales cannot leave out the mid-Continent quotations from day to day.

Orders Piled High For Passenger Cars

An improvement of almost 100 per cent in domestic deliveries of passenger automobiles from leading Canadian factories in March is reported to The Financial Post. This increase compares with corresponding figures for March, 1933.

Figures covering cars produced for export are currently not available but the excellent showing made in the export field in 1933 is believed to have continued.

An equally important fact is that unfilled domestic orders in many Canadian plants as at the end of March were reported to be equivalent to the entire March production for the Canadian market.

CHANGED NAME SER. STATIONS SHOWS SCOPE

International Metal Industries is Title Submitted to Shareholders

Shareholders of Service Stations, Ltd., will consider a proposal to change the name of the company to International Metal Industries, Ltd., at the annual meeting in Toronto on April 27. The new name is considered by the directors to be much more descriptive of the scope of the company's business, which is international and which has passed far beyond the original lines indicated in the name of the principal subsidiary, Service Station Equipment Co.

A mere recital of the names of the subsidiaries will show how in products and in factory localities a more inclusive name will be better.

Service Station Equipment Co., Toronto, Winnipeg and Conshohocken, Pa.

John Wood Manufacturing Co., Conshohocken, Pa., Chicago, Ill., and Richmond Hill, N.Y.

Canadian John Wood Mfg. Co., Toronto, Montreal and Vancouver.

Bennett Pumps Corp., Muskegon, Mich.

Superior Metals Products Co., St. Paul, Minn.

Fess Oil Burners of Canada, Toronto.

Hostess Corp., Toronto.

Rheem Manufacturing Co., Emeryville, Los Angeles and Richmond, Calif.

Ferolite Engineering Works, London, England.

The last two companies are affiliated. The company has also 27 divisional offices and warehouses on this continent.

Surplus Dropped $119,145

The net result of operations along this far-flung industrial and selling line by all the companies in 1933 was an operating loss of $89,551 as compared with a loss for the previous year of $368,007. This was before depreciation in each case but the writing down of assets, as authorized by shareholders, means that depreciation charged at the usual rates only amounted to $82,693 in 1933 as compared with $275,073 in 1932. Thus the net loss was only $172,244 as compared with $643,080 in 1932, and, as there was a profit of $53,098 on sale of bonds the accumulated surplus of the company only dropped during the year from $493,149 to $374,004, or a drop of $119,145.

Working capital, though down about $143,000, was still very strong as shown by the following comparative table:

Working Capital

	1933	1932
	$	$
Current assets	4,399,865	4,074,108
Current liabilities	680,494	211,423
Working capital	3,719,371	3,862,685
Ratio	6.46—1	19.27—1

Bank Loans Higher

The principal item in the increase in current assets is the gain in inventories from $1,696,018 to $2,369,384, mainly because the company thought

(Continued on page 2, col. 8)

BENNETT GOV'T SOON TO ENACT COMPANIES ACT

Will Not Wait for Provinces But Will Lead the Way

OPPOSITION

Some of Provinces Delaying Action — Prospectus Provisions Most Important in New Bill

From Our Own Correspondent

OTTAWA. — Notwithstanding the fact that some of the provinces will not take action this year, the Dominion government will proceed with the enactment of the model Companies Act.

The bill to be brought down in the Commons in the next few days will be nearly identical with the draft legislation distributed among the provincial Attorneys General at the Dominion-Provincial Conference last January. Failure of some of the provinces to enact the legislation this year is a matter of grave disappointment to Ottawa, but regardless of the consequences on Federal revenues, the Bennett ministry has decided to proceed.

New Bill More Stringent

The text of the bill has not been made public but official information is to the effect that the sections of greatest importance will deal with the issuing of prospectuses, the sale of bonds, preference and common stocks, accounting, and the preparation of annual reports.

Under all these headings, the old law will be revised and made more stringent.

The principal changes are that the English companies act provisions with regard to prospectuses have been adopted, it is understood. English companies are incorporated on quite a different basis from Canadian; they do not apply for letters patent but are incorporated by memorandum and articles of association. The prospectus sections of the Dominion Companies Act as amended will be considerably extended over those formerly obtaining. There are clauses with reference to no par value common stock, and some changes in the provisions regarding redeemable preferred stock but the provisions requiring full information on prospectuses and indicating what annual statement should state are the most important.

Under the constitution the powers of the provinces and the Dominion to incorporate new companies is identical. A Dominion incorporation empowers a company to do business in any part of the country. A company, operating under a provincial incorporation, is also able to carry on business in other provinces.

Leading the Way

The fear is expressed here that, by preceding some of the provincial legislatures in enacting this reform, Ottawa will forfeit much of the incorporation business hitherto done. New companies, it is thought, will seek incorporation in the jurisdiction which imposes the lightest restrictions.

On the other hand, the view is expressed that public opinion is demanding this reform and that if the provinces and the Dominion wait until all can proceed together, the enactment of model companies acts will be postponed indefinitely. It is believed that the best course is to proceed on the assumption that all of the provinces will follow. In this way, it is held, public opinion will be able to concentrate on the dilatory governments.

Lion's Share in Maple Leaf to Go to Bonds and Banks

Several reorganization schemes for Maple Leaf Milling Co. have been considered, but none has been officially approved, The Financial Post is informed.

Because the company's bank loans are large, the banks and first mortgage bondholders are expected to get the lion's share in whatever reorganization scheme is finally adopted. Preferred and common shares are not likely to get much, it is understood.

Among others, one reorganization plan is understood to have been proposed that would have written down funded debt and perhaps part of fixed assets. This is said to have been turned down. It appears that a compromise proposal may be reached whereby interest rates will be lowered for a few years, increasing progressively to a fixed maximum rate.

Bank advances amounted to over $6,000,000 last year, and of this $2,000,000 was secured by shares in subsidiary companies. The remainder was secured by inventories and accounts receivable. Banks were supplying all the company's working capital. And their position in reorganization negotiations is considered strong because, while bakery shares pledged may not be marketable at favorable prices, these subsidiary companies supply a large part of the company's domestic market for flour. The bondholders have a first, closed mortgage on fixed assets, so that the preferred and common shares appear to have little equity, and earnings have been reported as unsatisfactory.

Southern Canada Power Earnings Higher in March

From Our Own Correspondent

MONTREAL. — Southern Canada Power reports an increase both in gross and net operating income for the past month. Operating revenue in March, 1934, amounted to $178,998, an increase of $10,895 over the same month a year ago. Operating expenses were reduced by $2,208, leaving net earnings at $115,159, as against $106,472 in March last year.

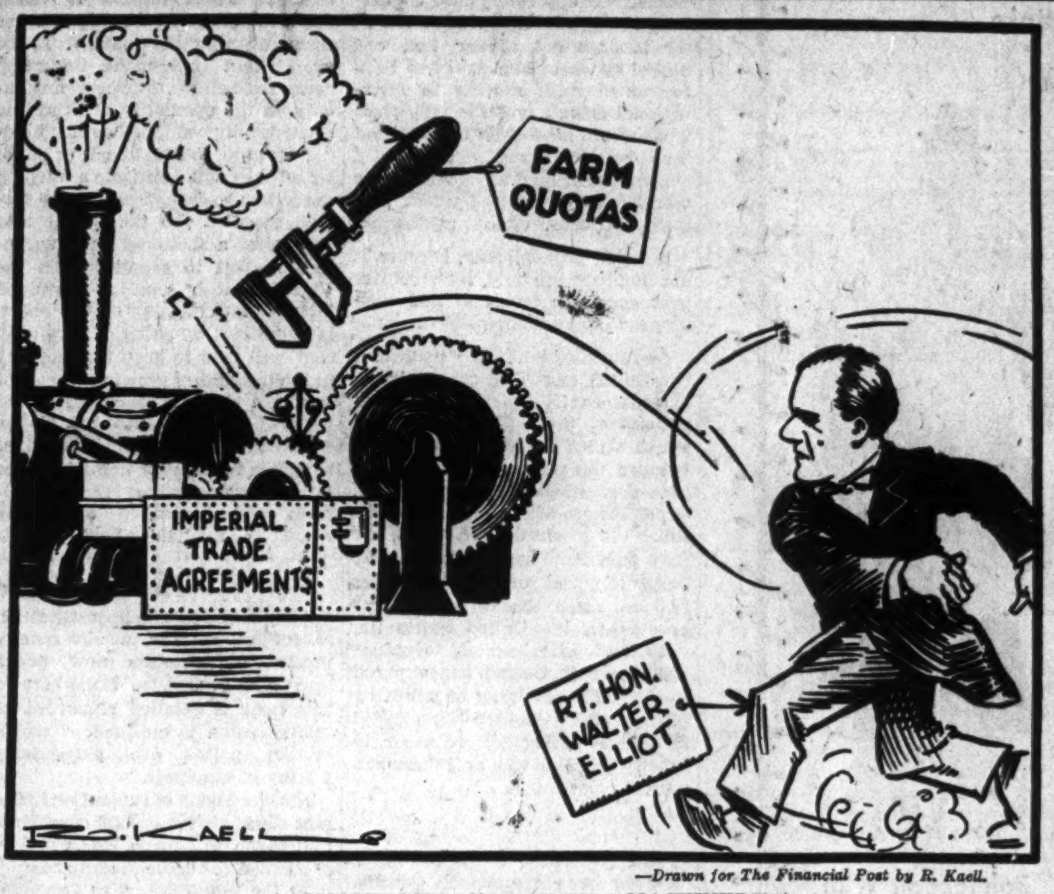
For the first half of the current fiscal year, Southern Canada Power reports gross earnings of $1,111,886. This represents an increase of $18,570 over the first half of 1933. The gain is offset, however, by an increase of $19,286 in operating expenses, so that net earnings at $713,933 compare with $714,649 in 1933.

Loblaw Dividend Now on $1 Basis And Bonus Also

Loblaw Groceterias has now raised its regular dividend from a basis of 80 cents a share annually to $1 annually by declaring a quarterly dividend of 25 cents a share payable June 1 to shareholders of record May 14 and a bonus of 15 cents a share as well. Previous declarations were at the rate of 20 cents a share quarterly, and there have been no bonus declarations since 1932 when there was a declaration of 20 cents a share, making the total payments in that year $1. In 1933 total payments were 80 cents a share, and on the new basis should be $1.10 a share in 1934 at least. One quarterly payment of 20 cents a share had already been made in 1934.

The company's fiscal year ends on May 31. A payment of $1 a share annually will require $838,026 to cover 454,726 Class A and 383,300 Class B no par value shares, and the bonus payment will require $125,704, or $963,730 in all. In the year ended May 31, 1933, earnings available for dividends amounted to $987,852 and there was a surplus of $149,475 over dividends actually paid.

Reports of sales and profits for the first nine four-weekly periods of the current fiscal year showed sales up 1.48 per cent and profits down 9.43 per cent. Even that decline in profits, with the company's strong working capital position, permits the company to pay at the $1 rate and the bonus represents part of surplus earnings in the year ended May 31, 1933.



—Drawn for The Financial Post by R. Kaell.

A MONKEY WRENCH IN THE MACHINERY

CAN. PACKERS 1933 EARNINGS AT 1929 LEVEL

Entirely Cleared Away Preferred Arrears of $10.50 Per Share

News stories published in these columns from time to time have indicated that Canada Packers by reason of the big jump in exports of bacon and pork products to the United Kingdom was likely to make a large increase in net profits over $607,672 as shown in the year ended March 31, 1933, after all expenses, bond interest, depreciation and provision for taxation. Statements made at the recent meeting of representatives of the Canada Packers Company indicate that the net profits for the year ended March 31, 1934, would probably be even with that made in the year ended March 27, 1930, and March 27, 1929, when more than $1,500,000 was shown. The reason for the recovery, of course, is the stability in prices during 1933 as compared with the two previous years. Large write-downs of inventory have not been necessary and the export business, even though at a low margin, has been sufficiently voluminous to boost the company's profits.

Cleared Off Arrears

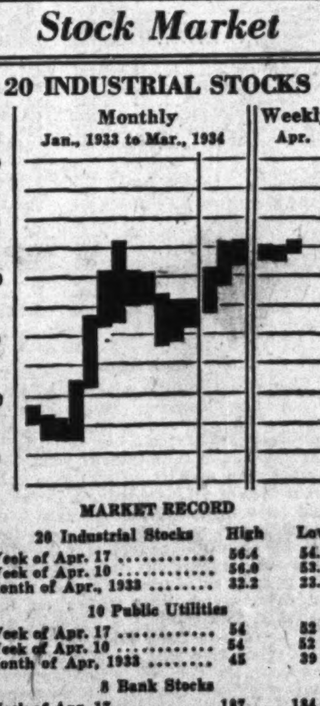
Expectation of a better situation was also stimulated because the company began last year to pay off the arrears of $10.50 a share of surplus dividends. Regular dividends were resumed in 1929 but it was not until the fiscal year ended March 31, 1933, that the company tackled the problem of getting rid of arrears. During the calendar year, 1933, it paid $739,004 in preference dividends, of which only $422,345 represented current payments. In the first quarter of 1934 the company continued this policy and paid $211,172.50 in preferred dividends, only one-half of this being current. The payment of $3.50 on arrears on April 2, 1934, entirely cleared away arrears and now it is plain sailing.

Could Earn $5 on Common

Similar earnings in 1934 of $1,500,000, with arrears cleared off, would leave an amount equivalent to about $5 a share on the 200,000 shares of no par value common stock outstanding. During 1933 it continued to reduce the Wm. Davies Company bonds from the $1,500,000 shown at the end of the preceding year and Harris Abattoir bonds to less than the $3,390,900 shown a year ago. There is also provided a sinking fund for the preference stock.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Apr. 17	56.4	54.3
Week of Apr. 10	56.0	53.6
Month of Apr., 1933	32.2	23.0
10 Public Utilities		
Week of Apr. 17	54	52
Week of Apr. 10	54	52
Month of Apr., 1933	45	39
8 Bank Stocks		
Week of Apr. 17	187	184
Week of Apr. 10	186	184
Month of Apr., 1933	150	143

SALES SPURT AS CHEVROLET TAKES LEAD

March Passenger Car Sales Up 58 Per Cent from 1933

Sales of Chevrolet passenger cars bounded upward in March, outstripping Ford by a considerable margin and placing the former in first position in total sales in Eastern Canada, according to an analysis made by The Financial Post from figures compiled by Might's Directories and appearing in Canadian Automotive Trade. Total sales of all makes for the month amounted to 4,319 as compared with 2,730 in March a year ago, an increase of 58 per cent. Eastern Canada sales represent about 82 per cent of the Canadian total.

Excellent showings as compared with a year ago were made by most of the leading makes, Chevrolet, Ford, Dodge, Plymouth, Terraplane and Hudson being well ahead of 1933 figures. Plymouth worked into third place with sales of 537 units as compared with 512 for Dodge, which it replaced. A year ago Plymouth sales were only 186 in March.

Independents Also Do Well

General Motors, Chrysler Corp. and Ford of Canada continue to dominate the sales field more than 90 per cent of unit sales both in March and in the three months of the year to date. Such smaller concerns as Studebaker, Hudson-Essex and Graham, however, have more than maintained their position, the increases of the "Big Three" being chiefly at the expense of the defunct Dominion Motors' Durant and Frontenac lines.

Sales of all makes in the first three months of 1934 numbered 7,252 as compared with 5,419 in the corresponding period of 1933, an increase of nearly 34 per cent. Sales by leading makes and manufacturers are shown in the following table:

Automobile Sales by Leading Makes (In Eastern Canada)

	March 1934	March 1933	3 Months 1934	3 Months 1933
Chevrolet	1,390	878	2,968	1,834
Ford	980	530	1,994	793
Plymouth	537	186	831	414
Dodge	512	244	875	547
Pontiac	184	229	295	457
Buick	162	134	339	307
Terraplane	125	65	179	128
Chrysler	92	76	97	137
Studebaker	87	88	148	155
Hudson	72	8	85	22
Graham	41	16	62	39
By Leading Manufacturers				
General Motors	1,767	1,309	2,750	2,712
Chrysler Corp.	1,155	549	1,818	1,294
Ford of Canada	980	530	1,994	793
Others	417	342	690	620
East. Canada	4,319	2,730	7,252	5,419

Chevrolet Leads Commercial

Chevrolet also leads in sales of commercial cars in March and for the year to date, the total for the month being 244 and for the three months 433. These figures compare with 143 and 291 for Ford.

Total sales of all makes of commercial cars and trucks were 560 in March, the total for the three months being 1,089.

Thayers Net Profits Reported Twice Dividends

Though it is not the policy of Thayers, Ltd., to publish a financial statement, the investment firm which sponsored the first preferred cumulative issue, informs The Financial Post that 1933 earnings after depreciation were twice dividend requirements. It adds that the company has no bonded debt or mortgages payable and no bank loans.

The Financial Post has not been able to check this information by reference to an audited financial statement of the company but it is informed that audited figures are available to shareholders at all times. It is stated that earnings have shown consistent improvement since 1931, that it has been the company's practice to make heavy write-offs to depreciation. The dividend has been maintained through the depression.

The company is in the wholesale and retail distribution of gasoline, kerosene, lubricating and fuel oils.

Highlights of the week

Codes and Labor

The rôle of workers in a planned recovery. Labor's problems, and where the N.R.A. has failed to solve them. Modern social trends examined for investors, business men and workers. Page 11

Britain's Gardener

How Britain is trying to grow her own. Major Walter Elliot and his experiments. What they mean to Canada and other Dominions. Told by John A. Stevenson. Page 16

Silver's Future

Will the United States try to subsidize silver for Canada and the world? The real meaning of Washington silver agitation. Told by Dr. Gaines T. Cartinhour of New York University. Page 8

Suburban Farms

How part-time farming may answer relief problems. Hamilton's garden plot organization. Canada's back-to-the-land movement. Page 3

Insurance Act

The move to admit British Lloyd's at Ottawa is causing bitter controversy. Why Ottawa's new insurance act (with one reservation) is worthy of commendation. The Nation's Business Column and Page 13

Ottawa's Enquiries

Four general managers tell what their banks did to lighten the blows of depression in Canada. Page 12. Mass buying probe continued in extensive Post report. Page 14

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GOVERNMENT GRAIN FUTURES ARE REDUCED

Holdings Down 25,000,000 bu. from Peak — Exporters Active

PRICES DECLINE

Slump at Chicago and Continued Stability at Liverpool Responsible

From Our Own Correspondent

WINNIPEG.—What market reaction might have been to the latest wheat control proposals emanating from the international wheat committee at Rome it has been impossible to judge, because a new force entered international markets this week with precipitate declines in wheat prices in the United States. Undoubtedly some additional buying both from overseas importers and from traders made its appearance on Monday morning.

On Saturday, after the announcement of a price raising plan from Rome the privileges market had indicated an opinion that Winnipeg prices might rise on Monday by two or three cents a bushel, and a short-lived upward movement did get under way at the opening of the Monday session. Whether it would have got far without the concurrent weakness at Chicago, or whether the additional buying was limited in quantity and would have soon been exhausted in any event there was no opportunity to determine.

Wrong Impression Corrected

Liverpool was prompt to point out that there had been some misconception of the Rome proposals, and some figures which had emanated from that city, which were not intended to specify higher wheat prices which might be demanded, but rather to suggest the price differentials between different wheats which might be stabilized, should the subsequent London sub-committee, to meet in May, be actually authorized by various Governments to work out something definite.

At all events, if the Government agency which is essentially in control of the price level at Winnipeg started with any design to mark up the Winnipeg price, as was believed for a short time to be the case, the project was not proceeded with, doubtless in view of the comparative stability at Liverpool.

Government Releases Holdings

The Government agency has continued to release its holdings of futures at a sufficient rate to take care of export needs. It still holds the great bulk of commitments in the futures market, although there has been some transfer of these to export interests preparing for movement of wheat at the opening of navigation, as well as some complete liquidation to balance export shipments actually made.

Government holdings are estimated to have been reduced by 25,000,000 bushels or more from peak figures, not because of any increase in speculative interest in the market, but because some such release was obviously necessary to take care of the wheat actually exported or the export of which has been arranged. Still further reductions will be required before the end of the crop season. Considerable transfers of Government holdings from the futures market to cash wheat to be held in elevators in the east or in vessels on the Great Lakes is anticipated through deliveries to be made to that agency on the May and July futures contract.

Spread Narrows

The spread between May and July wheat has narrowed to three quarters of a cent a bushel, practically only the interest charge, so holders of cash wheat will have no incentive to make further switches of their hedges from the May to the July option. Much of the wheat held by elevator companies is understood to have been switched from May to July when a spread of a cent and a quarter was obtainable, which, however, would give them only about half of a normal carrying charge, and which represents the lowest cost yet incurred by the Government agency in switching its holdings to forward positions.

Building Permits Gain Slightly But Total Small

Although there was some improvement in the amount of building permits issued in March as compared with the previous month and with March a year ago, the level remained extremely low as compared with any of the previous ten years, the index on the base of 1926 equals 100, being only about 10.0.

Sugar manufactured during the four week period ended March 24 shows a decrease of over 60 per cent as compared with the corresponding period of 1933, but the heavy volume at that time was due to a "leak" of information regarding the two-cent sugar tax

Monthly		Mar. '34	— Change — From Prev. Period %	From Prev. Year %
Bldg. permits	$	1,089,481	+23.6	+14.2
Sugar manuf.†	lb.	21,360,155	+7.9	—61.5
Weekly*				
Car loadings	No.	40,711	+5.7	+25.7
Cattle sales	No.	13,150	+12.6	+88.0
Hog sales	No.	22,067	+26.1	+28.2

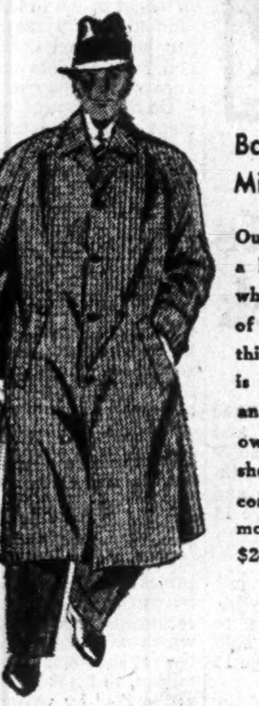
*Weeks ended April 7, 12 and 12 respectively. †Four weeks ended March 24.

MEN'S SHOP

Reporting the MEN'S SHOP

Could You Ever Mistake An English Coat

for being anything but English? Men who wear English coats couldn't, for the top-coats that come from the tight little isle have a character all of their own. Reporter found a splendid selection from such famous houses as Burberry, Richard Austin and Joseph May in the Men's Shop, all cut in the traditional Raglan style. Priced from $29.50 up.



Balmacaan With Military Collar

Our artist has sketched a Balmacaan coat which has proven one of the smartest styles this season. This coat is of English woollens and tailored in our own clothing workshops. Also fitted coats, slipons, polo models and raglans. $20 and up.

The Reporter

EATON'S—COLLEGE STREET

The Nation's Business

(Continued from page 1)

the London wheat agreement. It has failed in numerous ways.

It was designed to raise the international price of wheat, and the international wheat price has not risen.

It was going to do it by controlling the international movement of wheat, and apparently also by limiting acreage sown to wheat. But so far it does not appear that one bushel of wheat has moved or been restrained from moving in international trade any differently from what would have been the case had there been no agreement, or that a single acre of land anywhere in the world has gone out of wheat production because of that agreement.

It failed economically, because it did not provide any such control over economic forces as had been supposed to be inherent in it.

And it failed politically because it constituted, and could constitute, no external control over the political policies of the different countries which signed it. Each country has pursued the policy which it would have pursued without an agreement. Great Britain has continued to subsidize the production of wheat, the Irish Free State has launched a new policy of wheat subsidy, France has imposed some checks upon wheat production, the United States has tried, with little success, to reduce wheat acreage, Canada has prepared to check the deliveries of wheat by farmers. Each country has adapted its policies to its supposed needs, in exactly the same way as if there had been no agreement.

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THE agreement, in fact, has never even been completed. Canada, the United States, the Argentine and Australia were jointly bound by it to regulate their exports during the current crop year on the assumption that the total world exports of wheat would reach 560,000,000 bushels during the current year, and a supplementary agreement between these four countries has not yet been completed, to assign to each its allowable quota, which indeed could not be done until it was known what Russia and Northern Africa might export. The supposed limitation of the Argentine to 115,000,000 bushels for the current year, as of Canada to 200,000,000 bushels, has not yet been recorded in any formal document.

Now, before the London agreement has run half its course, before even its implied supplementary agreement has been completed, something new and altogether different is proposed.

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IF THE London agreement could be regarded as harmless, the new proposals are definitely dangerous to Canada, whose stake in the international wheat market is vastly more important to her than is the case with any other country. To the extent that they make importing countries believe, however mistakenly, in the possibility of exporting countries, by combined action, holding up the international price of wheat they will constitute a warning against any dependence upon foreign supplies. To the extent that they offer a sheltered and guaranteed market to supplies from the United States, with a continued international blessing on the policy of subsidized dumping of surpluses, they will tend to keep that country in the business of growing wheat for export, a business otherwise on the verge of abandonment there. To the extent that they make it important to Russia to keep for herself a place in world markets that is to be regulated and controlled they may result in Russian wheat exports being forced at the expense of home needs in that country.

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THE central committee which has been proposed by the Rome conference is to attempt to raise the price of wheat. But what is meant by price? The conference, which formulated the London agreement, could think of price only in terms of gold, but subsequent changes in the price of gold made price references meaningless. The new committee may think in terms of sterling, but a shift in the relationship between the pound sterling and the dollar (and such a shift would tend to follow any success they might achieve) would nullify their efforts so far as this continent is concerned.

Much mischief has been done by the various schemes intended to raise the price of wheat, chiefly because they have resulted in increasing the acreage seeded to wheat, either through hope of higher prices or by direct and indirect government subventions in various countries. But the failure of each successive scheme leaves its proponents quite unrepentant, apparently on theory that being wrong in the past increases the likelihood of being right in the future.

The New Ottawa Insurance Bills

THERE seems ample justification for enactment of the new federal insurance legislation now under discussion at Ottawa. Elsewhere in this issue a detailed statement of this situation is outlined of which several points are particularly worthy of emphasis.

The chief bone of contention in the new statute is the special consideration given to Lloyds Underwriters of London to enable them to comply with the requirements of Canadian registry. Established insurance interests maintain that these special provisions constitute unfair discrimination against them. If such discrimination exists, then the remedy need not be to put Lloyds on a par with other underwriters but to grant other underwriters terms equivalent to those granted Lloyds.

The vital point, however, is that since the B. N. A. Act, as now interpreted by the Privy Council, clearly places the regulation of the insurance business in the hands of the provinces, Ottawa has no alternative, if it wishes to retain a vestige of control over insurance companies, but to find a means of registering Lloyds and other such organizations. Institutions such as Lloyds are already legally operating in Canada and for Ottawa to declare them illegal by refusing to register them, would simply incur a further appeal to the Privy Council and the ultimate elimination from the insurance field of the federal government.

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IF THERE is any balance of opinion on the question of insurance jurisdiction in Canada it is that the maximum of control should be vested at Ottawa so as to afford at least a national standard in respect of solvency of the hundreds of companies competing in this field. To destroy this benefit by refusing to face facts would be very short-sighted indeed, yet this is just what Ottawa has consistently attempted (without success in the past few years) and apparently what is still being urged by those who oppose the new federal act.

Another important point in favor of the new statute is that the protection it affords to Canadian insurers in respect of such groups as Lloyds is very materially greater than could be hoped for if licensing were to be left in the hands of the individual provinces. The new act would therefore seem to be in the best interests of the insurance business as a whole and of the Canadian insuring public.

IMPERIAL OIL EARNINGS COVER 1933 DIVIDENDS

Smaller Gasoline Spread Reduced Profits But Liquid Strength Maintained

TAXES CURB SALES

Levies, Eight Times Gasoline Profit, Prevent Low Prices, Causing Expansion, Says President

Total net earnings of Imperial Oil in 1933 at $14,101,561 compare with $14,713,238 earned in 1932. In other words, earnings dropped from 54.93 cents a share on 26,783,092 shares in 1932 to 52.51 cents a share on 26,857,152 no par value shares outstanding at the end of 1933.

Sales volume in Canada was well maintained but G. Harrison Smith, president, informs the shareholders in the report that these earnings were only 27.85 per cent of the total net earnings of the company and amounted to 14.62 cents a share (after inventory depreciation of $1,000,031) as compared with 16.17 cents a share in 1932. This income in Canada was $3,926,892 from sales and $765,823 from transportation. The remaining income consisted of rents, interest, dividends, and income from investments outside of Canada.

U. S. Competition Hurts

Mr. Smith states that the lower earnings from Canadian refining and marketing activities are the result of the reduced spread between the prices of finished products and the cost of crude oil and other raw materials. This situation, he reports, "was brought about largely by competition from the United States where, during 1933, as the result of N. R. A. regulations, prices of crude oil were stabilized without a corresponding stabilization of the prices of finished refinery products. This condition prevailed notwithstanding the efforts of the Code authorities to rectify the situation and to widen these spreads.

The net profit on gasoline manufactured and sold by Imperial Oil in 1933 was slightly more than eight-tenths of one cent a gallon. The provincial taxes, it is pointed out, were from 7 to 8½ times as great. Compared with the 1913 prices the wholesale price index of gasoline was 71.6 of farm products 81.5, of building and construction 116.8 and of all commodities 105. Ordinarily increased consumption would result from these low prices but existing conditions and heavy taxes prevented.

Consolidated Income Account
Years Ended Dec. 31

	1933 $	1932 $
Oper. profits	4,692,715	5,401,439
Other income	9,408,846	9,311,799
Total income	14,101,561	14,713,238
Less: Dividends	13,415,169	13,379,836
Surplus for year	686,392	1,333,402
Previous surplus	109,958,799	108,584,328
Adjustments	....	41,069
Bal. carried for'd	110,645,191	109,958,799

Working capital remains one of the most impressive exhibitions of strength given by any Canadian industrial company.

Working Capital

	1933 $	1932 $
Current assets	58,155,045	57,204,973
Current liabilities	8,911,731	7,894,426
Working capital	49,243,314	49,310,547
Ratio	6.52—1	7.24—1

Cash and Securities Rise

That increase in current assets was the net result of changes in the following items: cash up from $13,816,337 to $15,489,662; bills and accounts receivable up from $13,804,236 to $14,518,779; inventories down from $26,661,474 to $25,873,855; and materials and supplies down from $2,922,926 to $2,272,749.

Current liabilities increase was altogether because of the increase in accounts payable from $5,036,344 to $6,835,889, probably amply explained by the much higher prices now paid for crude. Reserve for income taxes dropped from $2,102,707 to $1,907,844, and other accrued liabilities dropped from $755,375 to $167,998.

In addition to current liabilities the item described as "stocks of other companies, Dominion of Canada bonds, miscellaneous investments and other assets" increased from $78,844,011 to $84,750,144

Common Stock Equity $7

Lands, buildings, plant and other equipment increased from $112,333,827 to $113,457,235 and floating equipment dropped from $12,252,502 to $12,008,380. Against this, reserve for depreciation went up from $54,702,873 to $60,411,958, a gain of $5,709,085 or more than net profits on all Canadian business. Other reserves on fire, marine, cargo and freight insurance, and annuities, increased from $12,538,862 to $12,761,920.

Common stock equity in net current assets amounts to $1.85 a share and to $5.13 a share in non-current tangible assets after deducting reserves equal to 60 per cent of fixed assets and one-third of all non-current assets. The total equity therefore is $6.98 a share.

Remarks of the president with regard to Turner Valley and South American activities are given in separate stories elsewhere.

Oshawa Bldgs. Will Pay Jan. 1, 1932, Coupon May 1

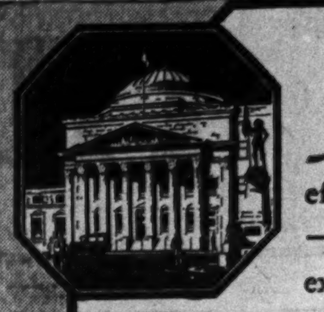
Oshawa Buildings will have sufficient funds available on May 1 to pay the coupon dated Jan. 1, 1932, on the 6½ per cent bonds, Stewart Scully Co., sponsors of the issue state in a letter to bondholders. The coupon may, therefore, be presented for payment on May 1, Subsequent coupons are not being met at present.

Earnings available for interest in the year ended Dec. 31, 1933, it is stated, amounted to 3.84 per cent on the bonds outstanding.

The general business situation in Oshawa is much improved, the letter states, the demand for apartments has been good and the buildings at times nearly fully occupied. Rents have been low but are expected to increase slightly this year. Taxes on the properties are paid to date, and current liabilities consist only of the current month's accounts.

List Alcohol Stocks
From Our Own Correspondent

MONTREAL,—Montreal Stock Exchange announce the listing of 784 Class A and 1 share of Class B common stock of Canadian Idustrial Alcohol Co.



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Head Office Montreal

BANK OF MONTREAL

Established 1817

TOTAL ASSETS IN EXCESS OF $750,000,000

BATHURST POWER BETTERS POSITION DURING PAST YEAR

Deficit Only $15,257 Before Depreciation; Liquid Resources Strong

From Our Own Correspondent

MONTREAL.—Though sales of newsprint were the lowest of any calendar year since the company was organized and sulphite pulp and kraft liner sales were productive of only a small profit, the income account of Bathurst Power and Paper Co. for 1933 shows a marked improvement over that reported for the previous twelve months.

The company's financial statement shows that there was a loss on operations in 1933 totalling $91,984, which was very largely offset by income from investments totalling $76,726, leaving a deficit of only $15,258. In the previous year the operating loss amounted to $158,224, interest from investments $35,773, leaving a deficit of $122,451.

Particulars of the income account for the past three years follow:

	1933 $	1932 $	1931 $
Oper. loss	91,984	158,224	86,460
Int. from inv.	76,726	35,773	......
Balance	*15,258	*122,451	*86,460
†Loss on sale	......	3,163	......
Balance	*15,258	*125,614	*86,460
Written-off	......	5,999	115,104
‡Loss for yr.	15,258	131,613	201,564
Prev. bal.	§*230,675	*40,860	160,704
Balance	*245,933	*172,473	*40,860
Org. w. off	......	30,000	......
P. & L. bal.	*245,933	*202,473	*40,860

†On investments. *Deficit.
‡Before provision for depreciation.
§Includes $28,201, adjustments affecting prior years.

Working Capital Position

	1933 $	1932 $	1931 $
Curr. assets	1,991,000	2,115,720	2,199,719
Curr. liabs.	96,787	94,137	96,233
Work. cap.	1,894,213	2,021,583	2,103,486

At the end of 1933 Bathurst Power's balance sheet showed assets totalling $24,519,527, compared with $24,637,937 in 1932. Current liabilities amount to only $96,787. Reserves aggregate $624,589, while the balance represents capital and surplus.

Build New Pipe Line

Among assets the property account stands at $22,459,076, as against $22,448,697 in the previous year. During 1933 the company constructed a new water pipe line at a capital cost of $110,947. The book value of the old pipe line, after crediting the amount accumulated for depreciation, was charged against the depreciation reserve, together with the value of some old dwellings which were demolished during the year.

Cash Position Strong

The feature of Bathurst's financial statement for several years past has been the strong liquid position. At the end of 1933 the company's investments amounted to $1,011,981 with a market value of $994,248. In the previous year investments were carried at $849,797. Accounts receivable are higher at $235,281, while advances on operations are $20,794, practically double those reported in 1932.

Inventories show a sharp contraction during 1933 amounting to $634,997 as against $1,024,053 in 1932. Cash on hand shows an improvement of approximately $25,000 at $87,946, while investments in other companies remain unchanged at $33,502.

Dominion Engineering Helped by Diversification

From Our Own Correspondent

MONTREAL.—A large portion of Dominion Engineering's business in the last year or so has come as a result of expansion of the company into more diversified products, according to a statement made by G. H. Duggan, president, at the annual meeting of Dominion Engineering Works. In enlarging upon this statement, Mr. Duggan said that the company's expenditure for development and research had proven justifiable. In concluding his remarks to the shareholders, he pointed out that the improvement generally evidenced in the newsprint industry at present provided a more hopeful outlook for the company.

Only routine business was transacted at the meeting and the directors were re-elected as follows: W. F. Angus, L. J. Belnap, Hon. A. J. Brown, K.C., Norman J. Dawes, G. H. Duggan, Sir Herbert S. Holt, J. A. Mathewson, K.C., Howard Murray, John H. Price, Paul F. Sise, Julian C. Smith, H. Birchard Taylor, and Hon. Smeaton White.

CHANGED NAME SERVICE STATIONS SHOWS SCOPE

(Continued from page 1)

it wise some months ago to protect the company, against price advances likely to occur, by purchase of raw materials. Temporary bank advances were arranged with the company's bankers to finance these purchases. A strong liquid position was maintained, however, though cash and call loans dropped from $736,377 to $312,586, government and other marketable securities went up from $748,965 to $889,449, and bills and accounts receivable dropped from $892,747 to $828,447.

Current liabilities increased, as already indicated, mainly on account of temporary bank advances of $410,578 to finance raw material purchases Accounts payable stood at $263,137, up $58,493 from $204,644.

Common Equity $4.58

Though dividends are in arrears on the preference and preference Series A shares to the extent of 9¾ per cent, the situation is of decided hope for shareholders in view of the character of the assets behind the shares. For example, the net current assets cover $124,000 outstanding debentures of a subsidiary and $3,082,100 of 6 per cent cumulative convertible redeemable preference shares, leaving still $513,271 of net current assets to apply against $1,438,500 of 6 per cent cumulative convertible preference Series A. Taking the remaining par valuation of the Series A preference stock at $925,229 from non-current assets, written down drastically, there still remains $1,089,938 or $4.58 a share, to apply against 188,312 Class A and 50,000 Class B common shares.

Consolidated Income and Surplus Account
Years Ended Dec. 31

	1933 $	1932 $
Net earnings	†89,551	†368,007
Less: Prov. for deprec.	82,693	275,073
Net loss	172,244	643,080
Less appropriations:		
Service Stations Ltd.:		
Preference div.	......	73,375
Pref. A div.	......	33,637
Deficit for year	172,244	750,092
Add: Prev. surplus	493,149	1,398,499
Prof. on sale of bds.	53,098	......
Inc. taxes recovered	......	13,247
Loss on secs.	......	52,947
Res. against advs. to employees	......	52,171
Res. against def. notes rec. & sundry invests.	......	46,095
Sundry adjustments	......	17,292
Balance forward	374,004	493,149

†Loss.

Prevailing business conditions in the first half of 1933, along with extremely low prices, affected operations, states A. L. Ellsworth, president, in the report to shareholders. This was particularly true in the service station equipment lines, but there was a gradual improvement both in price and volume during the latter half of the year.

B. C. Power Net Income Slightly Lower in March

From Our Own Correspondent

MONTREAL. — British Columbia Power's operating income in March was slightly larger than for the same month a year ago, but an increase in expenses, reduced the net revenue figure. The company reports a gross income of $1,052,674 last month, compared with $1,047,149 in March, 1933. Expenses were up from $702,946 to $711,402, leaving net revenue at $341,272 compared with $344,203 last year.

Cumulative returns for the nine months ended March 1934, show a gross revenue of $9,529,361, expenses $6,372,716 and net revenue $3,156,645. For the corresponding period of the previous year, gross revenue totalled $9,782,137, expenses $6,681,857 and net $3,100,280.

Canadian Hydro-Electric Earns Nearly $20 a Share On Senior Stock in 1933

Loss on Exchange Cuts Into Net Profits Last Year

PAY ON COMMON

Funded Debt Reduced by $725,411 — Primary Power Deliveries Record Increase

From Our Own Correspondent

MONTREAL.—Consolidated operating revenue of Canadian Hydro-Electric Corp. in 1933 was larger than in 1932, but after taking into consideration exchange transactions and profit on bonds and debentures redeemed, the total revenue of the corporation last year amounted to $9,533,083 compared with $9,889,769 in the preceding twelve months.

A further increase in deliveries under primary power contracts took place during the year, the total, including demand from retail power consumers, rising from 478,627 h.p. to 485,076 h.p. Notwithstanding unfavorable industrial conditions there were only small declines in retail power sales and in consumption of electricity for domestic and commercial purposes.

Peak Load Lower

The consolidated peak load of 656,286 h.p. established in 1933, was somewhat lower than the consolidated peak load of 660,087 h.p. in 1932, but there was a substantial increase in energy production. Particulars of output are set forth at greater length in the review of the operating subsidiary, Gatineau Power Co., appearing elsewhere in this issue.

Existing long-term primary power contracts provide for additional deliveries over the next six years totalling 65,023 h.p. This power, for the most part, will be delivered as primary power from existing plants with comparatively little additional capital expenditure or increase in operating cost. Unless adversely affected by some new development in the pulp and paper industry or elsewhere, gross operating revenue should therefore show a gradual upward trend for some years, according to a statement made by Archibald R. Graustein, president, in his report to the shareholders.

Pay Common Dividend

In the following comparative profit and loss surplus statement for 1933 and 1932 a feature is the payment of the full 6 per cent dividend on the second preferred stock and a dividend of 50 cents a share on the outstanding 1,000,000 shares of no par value common stock. Both the second preferred and common shares are entirely owned by the parent company, International Hydro-Electric System.

	1933 $	1932 $
Gross revenue	9,515,592	9,492,549
Add: Profit on exch.	......	162,080
Prof. on bonds red.	241,035	235,140
Less: Loss on exch.	223,544	......
Gross earnings	9,533,083	9,889,769
Less: Oper. exp.	555,858	653,932
Maintenance	179,736	169,943
General	324,807	314,296
Taxes	367,194	350,520
Net earnings	8,105,487	8,401,078
Less: Bond interest	3,521,384	3,541,040
Debent. interest	1,106,741	1,133,947
Deprec. & deplet.	648,862	637,384
W. o. bond disc.	352,001	356,118
Sub. pfd. divds.	4,533	4,533
Net profit	2,471,967	2,728,056
Less: 1st pfd. divds.	731,760	750,000
2nd pfd. divds.	1,500,000	750,000
Common divds.	500,000	......
Surplus	*259,793	1,228,056
Previous surplus	8,930,799	7,702,743
Less: Addit. deprec.	1,812,750	......
Carried forward	6,858,256	8,930,799

*Deficit.

No Bank Loans

The consolidated general balance sheet of Canadian Hydro-Electric Corp. at the end of 1933 showed assets totalling $144,711,366, or practically the same as in the previous year. The corporation and its subsidiaries continue free of all indebtedness to banks and have no important maturities of funded debt until 1941. No new financing was undertaken during the year, and reductions totalling $725,411 were effected in outstanding funded debt, which now stands on the books at $88,321,588.

Income from Eddy Co.

In connection with the corporation's holdings, the E. B. Eddy Co. (approximately 49 per cent of the outstanding stock) Canadian Hydro received in April, 1933, $1,490,000 par value of 6 per cent cumulative preferred stock and 4,700 no par value common shares of Eddy Match Co. This was in effect a partial distribution of assets by the E. B. Eddy Co. and was not taken into the income account. During 1933 Canadian Hydro received over $125,000 cash dividends on its holdings in these two companies.

There is no particular change in the current liabilities, while reserves show a substantial increase. The depreciation reserve has been increased from $2,842,769 to $5,304,381. This was effected by the usual appropriation from income, together with an additional appropriation of $1,812,750 from the paid-in surplus. The latter step was taken due to changes in the income tax regulations.

The outstanding minority interest in the St. John River Power Co. and Canadian Hydro-Electric's capital stock went unchanged during the year.

A reduction of approximately $100,000 occurred in the current assets, which aggregated $1,366,332 at the end of 1933. Among the deferred assets and expenses, it was noted that the discount in expense on bonds and other securities issued, together with the organization expenses, have been written down from $7,534,206 to $7,183,082. Minor changes are made in the other items, going to make up this division.

Lien on More Property

In his report to the shareholders, A. R. Graustein, president, points out that in order to simplify the financial structure of the corporation and its subsidiaries, the properties of St. John River Power Co. were acquired in May, 1933, by Gatineau Power Co. and were subjected to the direct lien of the Gatineau Power Co. first mortgage bonds.

Gerrie Tobacco Assigns Assets Career Short

The H. R. Gerrie Tobacco Co., which last fall made an offering of preferred and common shares, has made an assignment in favor of creditors, The Financial Post is informed. The company's chief brand is Royal York cigarettes. W. B. Reid, formerly president of United Cigar Stores, has been managing director of the company, and is understood to have had one of the largest investments in it.

The company has a capital of 50,000 preferred shares of $10 par value and 150,000 shares on no par value common stock. Preferred shares were offered publicly last year at $10 each with one-half share of common as a bonus with each share of preferred.

WILLARD'S LOSS $14,935 IN 1933 TOTAL $26,997

Working Capital Reduced But Ratio of Liquids is Better

Willard's Chocolate Ltd. showed a net loss of $14,935 for the year ended Dec. 31, 1933, after allowing $53,000 for depreciation.

Debit in the profit and loss account at Dec. 31, was $26,997. In the balance sheet this is offset by a lease rental surplus of $45,190, so that a net surplus of $18,193 is carried forward.

Earnings were as follows:

INCOME AND SURPLUS ACCOUNT
Year Ended December 31, 1933

	$
Profit	38,065
Less: Depreciation	53,000
Net loss	14,935
Previous debit	12,062
Balance at debit	26,997
Rental surplus	45,190
Surplus carried forward	18,193

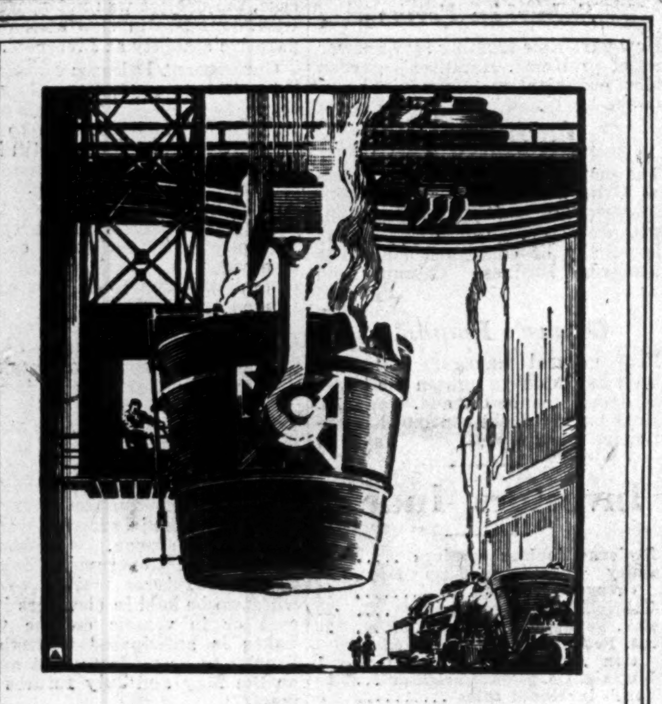
Bank Loans Down

Both current assets and current liabilities have been reduced substantially. Working capital is lower, but the ratio of current assets to current liabilities is improved. Bank loans have been cut from $235,000 to $131,719, and accounts payable from $98,832 to $39,374. These changes have been offset among current assets by reduction of accounts receivable from $191,813 to $164,912, and of inventories from $310,014 to $162,523.

Working Capital

	1933 $	1931 $
Current assets	327,950	501,987
Current liabilities	180,828	333,832
Working capital	147,122	168,155
Ratio	1.81—1	1.50—1

There has been one change in directors. J. M. DeC. O'Grady, of Winnipeg, has been elected to the board, replacing M. H. Toy. Mr. O'Grady is also on the board of Blue Ribbon Corp., which has acquired control of Willard's Chocolates.



FOR SOUND INDUSTRY

Industry and trade are the means by which a country makes effective use of natural wealth. The Royal Bank has always been ready to encourage sound Canadian enterprise. It has maintained this attitude through many years of varying conditions.

THE ROYAL BANK OF CANADA

Canada's Capital

Week in Ottawa

OTTAWA, April 9—House of Commons: Amendment to Canada Grain Act introduced providing for special grading of Garnet wheat. Amendment to Salary Deduction Act introduced, restoring ten per cent cut to employees receiving $1,000 and less. Unemployment relief bill debated.

April 10—House of Commons: Unemployment relief bill debated.

Price Spreads Committee: Conditions in stockyards under review. H. P. Kennedy, of Toronto, witness.

Banking and Commerce: General managers of banks witnesses.

April 11—House of Commons: Unemployment relief bill debated.

Price Spreads Committee: Stockyards investigation continued. H. P. Kennedy, Gordon Oswin, of Toronto, and Oswald Freer, of Winnipeg, witnesses.

Radio Committee: Broadcasting conditions reviewed.

Senate: Fruit and Honey bill given second reading. Hospital sweepstakes bill considered.

Banking and Commerce Committee: Revised Canadian and British Insurance Act considered.

April 12—House of Commons: Unemployment relief bill debated. Supply voted for the Department of Agriculture.

Price Spreads Committee: A. B. Quinn, of the Toronto Livestock Exchange, witness. He advocated compulsory sale of all cattle on public markets.

Banking Committee: Sub-committee appointed to select witnesses necessary to enable enquiry into relationship between banks and pulp and paper industry to proceed.

Senate: Hospital sweepstakes bill passed—vote 37-40. Precious metals marking bill passed. House adjourned until April 17.

Railway Committee: Railway agreement bills considered.

Public Accounts: Investigation into government expenditures launched.

Banking and Commerce: Insurance act further considered.

April 13—House of Commons: Revised Foreign Insurance Companies Act introduced. Unemployment Relief Act approved by the committee of the whole house and reported for third reading.

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Alberta

EDMONTON, April 9—Extension of Vehicle and Highway Traffic Act introduced to force all vehicles to carry reflectors on main, secondary and district roads. "Double tax" feature taken from new Succession Duties Act; feature would have forced duty to be paid on some property on deaths of successive holders.

April 10 — Proposal to cut motor licenses to $5 defeated. Resolution passed urging a special freight rate on coarse grain to Eastern Canada for year at least and also revision of rates on all types of goods going to B. C. Resolution passed urging public ownership of proposed Bank of Canada.

April 11—Debt adjustment plans under discussion. Amendment to Highway Traffic Act approved. Announced that if legislation permitting amalgamation of health services passed a committee of three from board of health would confer with two school boards to work out details.

April 12—Several sections of Trade Code passed. Twenty-six bills given final reading.

April 13—No plebiscite on liquor question will be taken in Alberta this year, it was announced. Final session called for April 14.

AN APPRAISAL OF YOUR INVESTMENTS

The experienced investor makes an appraisal of his investments at regular intervals. He has learned that no investment, no matter how well secured, is good enough to put into a strong box and to forget about it.

Conditions affecting companies and industries as well as governments and municipalities are in a constant state of change, and it is sound policy to examine and review one's holdings periodically.

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Back-to-Landers Advocate Part-time Suburban Farming

United States Testing Suburban Settlements; Hamilton's Garden Plots; Suburban Settlement in Canada

Canada's back-to-the-land movement has as its main objective alleviation of the relief burden of the various governments. A study of schemes for permanent settlement of indigents on the land as farmers reveals that its scope is limited, chiefly by the qualifications of recipients of relief. Only a few can be successfully cared for in this manner.

There are other plans, however, by which larger numbers of the unemployed can be made tillers of the soil, and by which their dependence on the charity of the public purse can be lessened. These divide themselves roughly into: (1) Community settlement of workers on acreages near cities, and (2) cultivation of market garden plots in and near industrial centres.

While these plans have received some impetus because of the immediate unemployment problem, their long-run aim is to make industrial workers more self-sustaining. Henry Ford, an ardent back-to-the-lander, says:

"The great thing as I see it today is the back-to-the-land movement. There is the answer to making people self-sustaining rather than dependent upon industry which at its best, is uncertain and seasonable....The bulk of the people should be in villages instead of jammed into cities. I don't believe man was ever intended to live the highly competitive and artificial existence forced on to him in a big city."

Progress in Canada

Neither of these schemes appears to have been extensively exploited in Canada. But the City of Hamilton has gone further than most municipalities, especially in the garden plot scheme.

The first scheme of settlement near cities, cultivation of small acreages, has one main obstacle: it costs money. But this may not be an insuperable obstacle.

Farm realtors inform The Financial Post that there has been some demand from individuals for near-city acreages for this very purpose in Canada. The cost of average arable land near some of Canada's most densely populated urban areas is from $50 to $60 an acre. In other areas this price might be considerably less. Taxes on such land might reach $1 per acre. Thus, a settlement of 40 acres, divided into 10 small family holdings, would cost $240 per family. Taxes would be only $4 per holding, at least until improvements and buildings had been erected. When it is considered that Canadian governments have been donating $600 per family and giving land to those settling comparatively large farms on Crown lands, the cost of establishing these suburban colonies does not appear so heavy.

Additional Costs

But there would be additional costs. Some livestock, poultry, tools, equipment and buildings would have to be provided. Information on the experience of those who have actually done this type of part-time farming is too meagre to allow an exact appraisal of these costs.

Perhaps the nearest approach to a personal experience is that of Ralph Borsodi, who settled his own homestead, built his own house, supplies nearly all his own food near New York. In his "Flight From the City," describing his experience, Mr. Borsodi estimates that it is costing over $824 per annum to maintain an average family on relief in the United States. In Canada, the cost is put at $500; more if interest on the debt is counted. Of the $824, Borsodi says: "I know upon the basis of my own experience, that it is more than is required, as the initial capital with which to establish a self-sufficient homestead." And the $500 estimated for Canada, it must be remembered, is an annual outlay, for which there is no productive asset created.

Mr. Borsodi made a homesteading study for the City of Dayton, O., where 160 acres of farm land are being turned into three-acre family holdings. This is being financed by loans to homesteaders, the maximum calculated at $1,071 per family. This is intended to provide land, housing materials, equipment and other essentials. In Canada we have been giving away $600 and the land in unsettled districts. If the Dayton calculations are correct, qualified industrial workers in Canada might be settled on suburban lands with this money.

Other Considerations

But other considerations would have to be taken into account. The Borsodi-Dayton type of settlement envisages some other form of income than that provided by the small family lodging. It is only a part-time farming scheme. Also, all industrial workers might not display the ingenuity and imagination of Borsodi, and might, therefore, not experience the same degree of success on the same moderate outlays.

These suburban settlement plans are intended to give the city worker greater independence, so that seasonal workers, short-time laborers and temporarily unemployed persons will not become public charges. In Canada, there has been some voluntary movement to the farm by those seeking this very independence. But the mass of Canadian unemployed have shown small inclination to this.

Certainly the type of suburban community contemplated in the United States schemes is not designed for ne'er-do-wells, and judging from Borsodi's description of his experience, a considerable degree of persistence, work, continuous small investments and a superior intelligence are necessary to make it work.

Schemes to settle industrial workers on small holdings in this manner are being undertaken in Monmouth County, N.J., where the workers will have their factory on the scene of their settlement, at Decatur, Ind., Youngstown, Ohio, Rochester, N.Y. and in parts of Georgia, Pennsylvania, West Virginia, Kentucky and Tennesee. The various types of settlement will provide a test. But until this is made, and it will take several years to judge its success, obviously there are many considerations that make for uncertainty of the outcome.

Could Canada Do It?

Could this kind of thing be tried in Canada? There has been an obstacle in connection with the $600 that has been granted to settlers free. None of it may be used to buy land. There is also the posssibility that use of such money for land purchases might become a real estate racket, just as in many cases relief distribution appears to have become a swindle on the public purse. Authorities in Canada have found, also, that farmer-owners of suburban lands are hard to deal with at "reasonable prices," it is understood.

Another obstacle was encountered when responsible Hamilton, Ont., citizens investigated the possibility of establishing small community settlements near that city. Rural authorities were opposed to experimenting with "market gardening" when the established farmers are having grave difficulties.

Notwithstanding these obstacles, however, the very fact that some part-time farming for subsistence purposes has grown up near industrial centres in Canada, and that there has been some voluntary flow of population back to farms, would indicate that the schemes are at least worthy of investigation. Some provincial relief authorities have signified their willingness to cooperate in any reasonable scheme. But it is pointed out that many now abandoned farms may not be suitable and that none of the $600 grant may be used to buy land. In Saskatchewan and Manitoba, some privately owned lands have been settled, not on a community basis, but without down payments, by the settler undertaking to make improvements. In some of these cases, it has been found that the settlers were able to do without subsistence expense in their second year, and that as much as $350 of the $600 grant has been available for purchase of livestock and chattels. Another way of looking at the cost is to consider $1,000 as the total charity cost for two years' direct relief to a Canadian family. This is much more than the estimated cost of making a family self-sustaining on a suburban acreage.

Ontario Proposals

Ontario has made the following suggestions regarding community settlements to municipalities considering such undertakings:

1. That farms of 100 acres be sought to be subdivided into 10 holdings, the seller arranging sale to each of ten families.

2. Settlers' improvements be suggested as an inducement to the seller, these making the land more eligible for re-sale, if abandoned.

3. Payment to begin at end of third year, terms to be arranged between the owner and the settler subject to approval of provincial relief authorities.

The following approximate basis for the expenditure of the $600 grant in connection with the proposed small settlements is suggested:

Transportation	$ 15
Maintenance, first year	120
Maintenance, second year	100
Buildings	175
Seed, ploughing, equipment, livestock and poultry	190
	$600

This scheme appears to envisage market gardening on a commercial scale, since 10 acres would appear more than is necessary for sustenance through part-time farming. Since there has been virtually no Canadian experience in such a scheme, it is worth mentioning that Ralph Borsodi found commercial production a losing proposition. Also there have been objections from commercial farmers to subsidizing competition.

City Garden Plots

Garden plot schemes in and near cities appear to have met with good success in Canadian municipalities. Hamilton, Ont., is an example worthy of study because of the completeness of the data available. With an expenditure of some $9,000 on the 1933 scheme, produce of the civic garden plots had an estimated retail value of over $77,000.

Hamilton is a highly industrialized city. Even with its population of 155,000, it is not so large as to have lost that co-operative spirit in its citizens which is a feature of smaller municipalities. Consequently large commercial organizations worked hand in hand with relief authorities and got co-operation from the unemployed in the garden plot scheme. Last year there were some 8,000 families on relief in Hamilton. And there were 5,157 civic garden plots cultivated by heads of families. This compares with 512 plots in 1932 and 145 in 1931. Of the 5,157 gardeners, fewer than 25 had to be dispossessed because of lack of care.

Keeps Unemployed Busy

H. P. Frid, 1933 chairman of the Hamilton garden plot committee, informs The Financial Post that the scheme is a start toward keeping busy in off seasons, and in off hours, those workers who are subject to the hazards of the short week and seasonal unemployment. He feels that, if in the past, large concerns had taken a more active interest in what their employees did with their spare time, and encouraged soil cultivation, relief by the sustenance method would now be much easier. As an example, The International Harvester Co. has since 1931 occupied its unemployed former workers by placing them on garden plots on company land. In 1933, 920 former employees were placed on such plots by the company.

One of the chief advantages to industry and the worker seen in such schemes is that they keep the trained worker from drifting into some unfamiliar occupation. He is therefore able to hold himself available for his particular trade by sustaining himself on the land. The garden plot scheme is an emergency plan. It was rapidly organized to provide partial sustenance and work, in lieu of more permanent land settlement, such as is envisaged in the community acreage plan.

Growth in Hamilton

This is how the Hamilton garden plot organization grew:

In 1931, the city established 145 unemployed citizens on garden plots, and the city employment office looked after administration.

In 1932, unemployment had grown, and 801 applied for lots. Of these, 512 were supplied, 218 on city-owned land and 294 on private lots, donated by the owners for the purpose. The city employment office again administered the scheme.

By autumn of 1932, Hamilton faced the largest unemployment problem in its history. At the suggestion of the Family Welfare Bureau, Amity Clubs for married, unemployed men were organized to provide diversions to relieve the monotony of winter idleness. The large numbers enrolled in these clubs naturally led to an enlarged garden plot scheme in the spring of 1933 to occupy the unemployed for the summer. A committee of civic and business representatives was named and took prompt action. One subcommittee was placed in charge of city lots and one to secure larger acreages in and adjacent to the city because more people than ever before had to be provided for.

Got Expert Advice

Soil experts of the Ontario Agricultural College were asked to report on eligible lands. Owners of land were approached and in nearly every case donated holdings for cultivation. All told, 234 acres of land was obtained. The owners, incidentally, have generously offered to make the same contribution in 1934. Larger donors were: Canadian Westinghouse Co., 40 acres; Steel Co. of Canada, 29 acres, and Otis Fensom Elevator Co., 10 acres.

The land was prepared for cultivation and laid out in 25 x 100 foot lots, one for each man. Response to requests for registrations brought in 300 names daily, until 5,157 were enrolled. Shortage of land prevented greater expansion.

Lots were allocated as conveniently as possible. Seeds with planting instructions were distributed by a card system. A limited quantity of tools were bought. Ten supervisors were appointed to oversee the work and the Steel Co. of Canada lent James J. Morris to be general supervisor for the summer. Illustrative of industrial co-operation, 14 of Hamilton's largest industries placed 1,608 of their unemployed former employees on the civic garden plots. In addition, International Harvester Co. operated 920 garden plots on 77 acres of its own land. All told, therefore, some 6,000 garden plots were operated by Hamiltonians in 1933.

Value of Scheme

The psychological value of the scheme is highly esteemed by its sponsors. It had a practical value in the produce grown. Plans have been made for a bigger and better campaign in 1934, and fall digging of the soil and better weather are expected to make for better returns.

The cost of the scheme was kept within estimates. The Welfare Board allowed $9,932 to cover the cost, and net expenses were $8,906, leaving a credit of $1,026. The average cost per lot was $1.72, whereas value of produce per lot was estimated at $15.

The garden plots taught the gardeners something about soil cultivation. Consequently, there has been some demand for colonization of community settlements on small acreages near Hamilton, along the lines sketched earlier in this article. The foundation appears to have been laid for some scheme of suburban community settlement. In Canada, as a whole, however, so little expert study seems to have been made of these community developments that their proponents are working in the dark.

Broaden Aspects

The United States, it has been shown, is in the midst of making a trial of community settlements. Back-to-the-land is one of the main planks in the Nazi platform in Germany and a scheme has been started to employ large numbers of the unemployed on preparing and reclaiming land for cultivation. The plan is to build villages on this land and establish about 5,000 small farms. This is part of a national self-sufficiency programme, however, and is not designed primarily to take up slack time and make industrial workers less dependent on steady employment. Similar plans are being tried in other European countries, but chiefly in an effort to make these nations self-sufficient, as the Canadian wheat farmer knows to his sorrow.

The question of establishment of part-time farmers on small suburban acreages is related to social and economic trends. Henry Ford views the shorter working week as requiring some such scheme for the benefit of the worker and society. Relief administrators view it as an aid to preventing huge peaks of demand for public aid for the unemployed. In Europe, the scheme is advocated on grounds of economic nationalism. From the Canadian viewpoint, the vast amount of produce grown cheaply in this country leads economists to seriously doubt the wisdom of any attempt to make a commercial market-gardening proposition of suburban settlements. But as a scheme to make workers more self-sustaining and self reliant, and tending to lessen relief costs, both industrialists and sociologists feel that investigation and perhaps trial is merited.

This is the last of a series of articles on land settlement for Canada.

Quick Ageing of U. S. Whisky In Two Years

Canadian shareholders of distillery companies are worried over progress of chemical attempts in the United States to reduce time for ageing whisky. J. M. Doran, head of the distillers' organization, states that already the time for taking out fusel oil, the aldehydes and other headache producers from the liquor has been reduced from two months but that no way has yet been devised to shorten the other two years now required to give body, aroma, flavor and color.

But chemists are working to discover methods to hasten "esterification" and "polymerization" in these last two years. Results to date are that a feasible method has been devised to reduce four-year period of ageing in charred oaken casks to two years, two months. That reduces the period in which owners of four-year-old stocks can make hay and thereafter the new methods may mean less storage space needed.

Liquor-making capacity in the United States is sufficient for consumption now but ageing is the problem. Four year old whiskies will probably retain affection of drinkers, who will be sceptical of the new claims for a time at least.

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TRADE OF U.S.S.R. DECLINED 34.5 P.C., IMPORTS HALVED

Trade Balance Favorable as Exports Well Maintained

Foreign trade of the Soviet Union in 1933 amounted to approximately $425 million as compared with $650 million in the previous year, a decrease of 34.5 per cent. The trade balance in 1933 was favorable to the extent of $76 millions as against an unfavorable balance of $70 million in the previous year. Imports showed the greatest decline, falling from $360,000,000 to $174,500,000, or more than fifty per cent while exports declined from $290 million, on the basis of roubles converted into dollars at $0.5146 being par of exchange.

Total exports in 1933 amounted to 495,658,000 roubles with Germany and Great Britain being the leading markets. Imports amounted to 348,216,000 roubles, Germany accounting for about 40 per cent of the total. Canada's trade with Russia is insignificant. Trade with leading countries, in roubles, is shown in the following table:

Foreign Trade of U.S.S.R. by Chief Countries
(In thousands of gold rubles: par $0.5146)

	Exports		Imports	
	1933	1932	1933	1932
Germany	85,747	100,499	148,061	327,700
Great Britain	86,983	138,485	30,590	91,928
Mongolia	38,562	41,395	17,269	19,278
China	18,027	23,784	21,461	18,193
United States	13,965	17,194	16,580	31,665
Italy	22,226	27,031	16,901	27,144
Belgium	27,340	19,301	1,538	591
Netherlands	25,890	21,517	5,974	3,560
France	22,893	28,698	5,237	4,335

Petroleum Chief Export

Chief exports of the Soviet in 1933 were petroleum, lumber and timber. Grains and raw furs were also important. As compared with 1932, the increase in export of semi-manufactured metals is important while exports of lumber and timber are shown to have been well maintained.

The decline in imports is chiefly in manufactured goods of the iron and steel group and electrical apparatus. Machines and apparatus remain the leading import in 1933, however, followed by iron and steel. Leading imports and exports are shown in the following tables:

Value of Chief Exports
(In thousands of gold rubles)

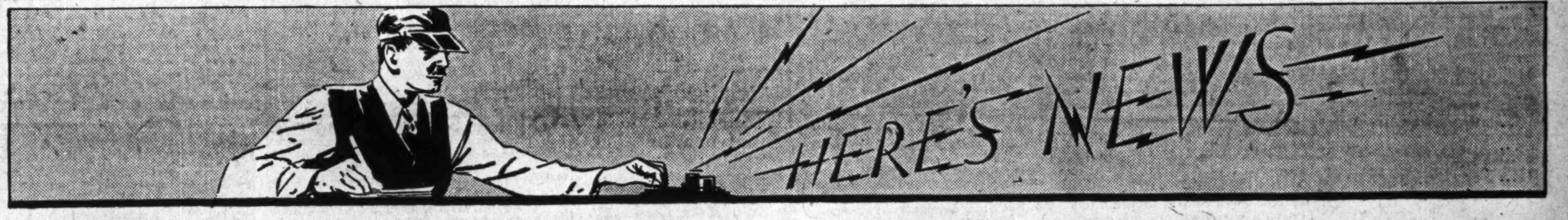
Petroleum prod.	75,677	107,256
Lumber	45,144	44,532
Grains	39,817	51,730
Semi-manuf. metals	39,609	9,585
Raw furs	38,557	42,300
Cotton & linen goods	31,523	51,460
Timber, sawn & rough	25,386	26,960
Flax and tow	29,521	21,324

Value of Chief Imports
(In thousands of gold rubles)

Machines & apparatus	87,784	215,958
Iron and steel	47,500	77,954
Steel manufactures	28,566	43,003
Wool	21,483	24,006
Elec. machines	19,359	65,152
Live animals	13,557	18,280
Cotton	9,911	17,851
Aluminum	6,842	7,608
Rubber	6,385	7,698

Campbell's Distillery in Liquidation

Campbell's Distillery (Canada), Ltd., of Montreal, went into liquidation on March 27, 1934. Isaac Friedman is the provisional liquidator.



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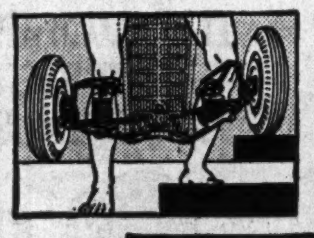

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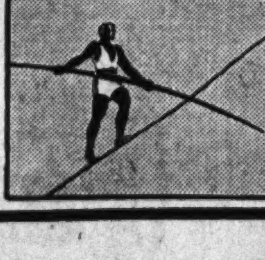

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Utilities and Transportation

Montreal Tramways Co. Covers Dividend Charges By Small Margin in 1933

Drop in Volume of Traffic is Offset by Savings

CASH RESOURCES UP

Change in Accounting Methods Affects Apparent Working Capital Status at End of Year

From Our Own Correspondent

MONTREAL.—Revenues of the Montreal Tramway Co. for 1933 were practically on the same basis as in 1932.

Operating conditions last year were not altogether favorable. The number of tramway and autobus passengers carried in 1933 totalled 196,141,103, compared with 210,807,129 in 1932. The mileage of trams and autobuses operated last year was 31,236,766, as against 32,418,558 in the preceding year. Operating expenses, on the other hand, were reduced by 9.99 per cent.

The net result of operations last year was that the Montreal Tramways Commission showed an income of $3,972,744 in 1933, compared with $3,968,382 in 1932.

Change in Accounting

From the following statements showing the revenue of the Tramways Commission and its distribution, revenue and expense account figures for the Tramway Company and the working capital position of the latter, it will be noted that a sharp drop has occurred in the company's working capital position. This is due to a change in accounting methods, rather than to any actual impairment in liquid resources. In the 1932 statement, various investment accounts were carried among the current assets, whereas in the 1933 statement these accounts have been distributed elsewhere.

The statement of operations compares as follows:

	1933 $	1932 $	1931 $
Oper. rev. ..	12,064,083	12,933,144	14,209,339
Spec. rev. ..	235,435	316,904	365,579
†Other inc..	574,501	737,070	......
Gross rev. ..	12,873,019	13,987,119	14,574,918
Expenses ..	8,900,275	10,018,737	10,621,732
Net earn. ..	3,972,744	3,968,382	3,953,185

†Recovered from contingent reserve, etc.

Distributed as follows:

	1933 $	1932 $	1931 $
Company ..	3,291,313	3,286,950	3,263,835
Fin. exp. ..	181,431	181,431	181,431
City ren. ..	500,000	500,000	500,000
Div. sur. ...	......	......	7,918
Totals	3,972,744	3,968,382	3,953,185

Revenue and expense account figures compare as follows:

	1933 $	1932 $	1931 $
Front cont.	3,291,313	3,286,950	3,262,835
Oper. prof..	68,508	68,353	67,963
20% div. sur.	......	......	1,583
Other rev. .	104,093	104,640	131,172
Total rev. ..	3,463,914	3,459,945	3,464,555
Int., etc.....	2,846,397	2,773,901	2,658,907
Net inc. ...	617,517	686,043	805,648
Divids.	612,500	682,500	700,000
Surplus	5,017	3,543	105,648
Prev. surp..	2,634,271	2,630,728	2,525,079
P. & L. bal.	2,639,288	2,634,271	2,630,728

Working Capital Position*

	1933 $	1932 $	1931 $
Curr. assets	2,324,138	4,362,169	5,331,558
Curr. liab. ..	1,755,873	1,398,070	1,770,566
Work. cap..	1,008,209	3,560,992	3,560,992

*See explanatory note above.

Lower Funded Debt

Montreal Tramways Co.'s balance sheet at December 31, 1933, showing assets of $65,599,581 compared with $65,569,236 in 1932 reveals a number of major changes.

No change has taken place in the outstanding capital stock. The funded debt, on the other hand, has been reduced in an aggregate from $48,882,500 to $48,763,200. As the company's bonds are payable in Canadian and United States funds, as well as Sterling, it is interesting to note that the premium on U. S. funds purchased to meet interest payments in 1933 amounted to $272,360 in 1933 compared with $331,368 in the previous year.

Owe 6 Months Rent

An interesting item among current liabilities is that the 1933 statement shows the Commission as owing six months' rent, or $250,000, to the City of Montreal. In the 1932 statement the current liability in respect to the City rental covered only the last quarter and amounted to $125,000.

Under reserves, it is noted that the reserve for financing has been increased by the usual amount, and now stands at $760,441 compared with $579,010 in 1932.

Draw on Reserves

As the Tramways Commission had a deficit to meet last year, it was necessary to draw upon the tolls reduction fund. Ordinarily the Commission would draw upon the contingent reserve fund, but as this was exhausted, it was necessary to look to the contingent fund, resulting in a reduction in that account from $405,608 to $366,893.

The autobus depreciation reserve shows an increase of approximately $40,000 to $966,580, while the maintenance and renewal reserve has advanced from $500,000 to $678,397.

On the other side of the balance sheet fixed assets shown at $59,976,296 compare with $59,908,191 at the end of 1932.

Change in Accounts

In previous reports the company is shown with maintenance and renewals, and other funds, as a separate item. This has been eliminated in the 1933 account, but the change is reflected, in part, by an increase in investments (including securities of subsidiary and associated companies) having a book value of $2,799,146 compared with $1,227,645 in 1932.

The investment for account of guarantee fund remains unchanged at $500,000.

Among the current assets, the only change of interest is the improvement in the cash and liquid position of the company. Cash on hand increased during the year from $469,430 to $589,530, while call loans advanced from $916,500 to $1,116,035.

Canadian Pacific Redeem 1934 Bonds

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railways' funded debt was reduced by $12,000,000 on April 15 through the redemption at maturity of the ten-year 5 per cent collateral trust bonds. Payment of this maturity was effected in Canadian funds out of the proceeds of the loan made with the chartered banks last fall.

This issue of collateral trust bonds was offered to the public in April, 1924, by a Canadian syndicate, headed by the Bank of Montreal. The offering price was 98.85 and the yield 5.15 per cent. The bonds were secured by $15,000,000 of 4 per cent consolidated debenture stock. As a result of the maturity, this debenture stock has been released by the trustee to the company.

LAKE STEAMSHIP OPERATORS AGREE ON CO-OPERATION

Commission Fewer Vessels and Set Bulk Freight Rate Structure

From Our Own Correspondent

MONTREAL. — Lake steamship operators in the Canadian trade have reached an agreement under the auspices of the Lake Freight Association, whereby they will commission 60 per cent of their combined fleet on or about May 1. A decision also was reached in respect to freight rates on bulk commodities.

Speaking on behalf of the steamship companies, T. R. Enderby, general manager of the Canada Steamship Lines, said that the agreement between all the lines was practically unanimous and applied to all commodities offering for transportation by lake steamers on the St. Lawrence and Great Lakes.

Stabilize Grain Rate

Of particular importance was the stabilization of the grain rate at 6 cents a bushel from the head of the lakes to Montreal. This is substantially higher than the rates prevailing last season, when it dropped at one time to as low as two and three-quarter cents, as the result of intense competition. Even at 6 cents, Mr. Enderby said, it is expected that the steamship operators will barely clear a profit.

In enlarging upon the action of the steamship owners, Mr. Enderby explained that there was no intention to create a monopolistic situation. The ship-owners were expected to make a living and he felt that shippers will be only too glad to cooperate with them to the greatest extent possible.

Lyall and Sons Estate Pays Interim Dividend

From Our Own Correspondent

MONTREAL. — Announcement is made by G. S. Currie, liquidator for P. Lyall and Sons Construction Co. in liquidation of the payment of a second interim dividend of 5 per cent to creditors of the bankrupt company.

This dividend makes a total of 10 per cent paid on the P. Lyall and Sons estate, an initial dividend of 5 per cent having been declared and paid in January of this year.

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UNITED SECURITIES INCOME ON PARITY WITH 1932 RETURNS

Drop in Premium on U. S. Funds Helps Share Earnings

From Our Own Correspondent

MONTREAL.—Further reduction in dividends on investments held by the company tended to affect on gross revenue of United Securities Ltd., during the fiscal year ended March 31, 1934, in comparison with the preceding twelve months. This company, jointly controlled by Shawinigan Water and Power Co., and Montreal Light, Heat and Power Cons., controls Montreal Tramways and Canadian Light and Power.

Income in the 1934 fiscal year amounted to $455,491, compared with $486,121 in 1933. The decline was largely due to a reduction in the dividend on Montreal Tramways stock.

On Par With 1933

The net income of United Securities last year was practically on a par with that in 1933, largely due to a reduction in operating expenses brought about chiefly through reduction in the exchange rate of New York funds to meet bond interest payments. Following is a comparative income account for the last three years.

	1933-34 $	1932-33 $	1931-32 $
Int. earned ..	455,491	486,121	516,528
Deduct:			
Expenses ...	29,942	53,928	49,645
Bond int. ...	265,865	270,041	273,965
Balance	159,684	162,152	192,888
Sales of secs..	......	1,458	1,384
Balance	159,684	160,694	194,292
Com. div. ...	102,522	102,522	102,522
Balance	57,162	58,172	91,750
Prov. inc. tax	160	96	......
Surplus	57,002	58,076	91,750
Prev. surplus	265,043	106,968	115,217
P. & L. Bal..	322,045	265,044	206,968

No Material Changes

No material change is noted in United Securities balance sheet as at March 31, 1934, when assets of the company totalled $10,412,384. This compared with $10,447,591 in 1933.

The capital stock outstanding remains unchanged, while the funded debt has been reduced in an aggregate from $4,892,000 to $4,815,000.

Accounts payable and accrued interest do not show any material change from that reported in 1933.

In the statement for last year, the balance sheet shows a reserve for sterling exchange on bond interest amounting to $5,732. In the previous report there was a reserve for U. S. exchange on bond interest amounting to $22,388. This switching of accounts reflects the fact that the interest on the company's bonds is payable in Montreal, New York or London.

Market Value Greater

Investments held by the company at March 31 last had a book value of $10,189,579 compared with a market value of $7,133,000. In the 1933 statement, investments are shown at $10,223,859 and a market value of $6,841,540.

The cash and call loans of the company show a slight improvement at $100,452. Accrued interest and dividends receivable by the company at $121,332 are practically the same as reported a year ago. Other items do not show any material change.

NEW PLANT INTEREST IN S. C. POWER AREA

Shareholders' Interim Report Sets Forth Increasing Activity

From Our Own Correspondent

MONTREAL.—United States manufacturers are showing greater interest in the question of establishing Canadian factories to enable them to meet tariff conditions in the British Empire markets, according to the quarterly report despatched by Southern Canada Power Co. to its shareholders.

In reviewing developments in this territory, the company had the following to say in its shareholders' letter dated April 16 last:

"At Drummondville (St. Pierre Village), the Eastern Paper Box Co. has recently been organized and is now in operation. Canadian Celanese has taken on an additional 300 hands. The majority of industries are working to full capacity.

"At St. Johns, the Richards Chemical Co. of Jersey City, N.J., has begun operations. The British Manufacturing Co., manufacturers of men's clothing have established a factory here.

"At Iberville, the Canadian Clothing Contractors Reg'd. have made arrangements to establish a garment factory.

Opening New Plant

"At Granby, the British American Silk Mills are moving the machinery from their Montreal plant. It is expected they will be in operation by the end of April. Other local industries report brisk business.

"At Ayers Cliff, the Wm. Collie Woollen Mills are operating at full capacity.

"At Farnham, the St. Lawrence Rubber Co. Ltd., manufacturers of bathing caps, aprons etc. have begun operations. Sobie Silk Shops Ltd. are moving their equipment from Montreal to Farnham where it is expected they will employ 100 hands. Barry & Staines Ltd., manufacturers of linoleums and floor coverings are showing renewed activity.

"At Marieville, the Rouville Knitting Co. is very busy and working to full capacity.

"The capacity of the Ste. Madeleine distribution system has been increased. Our system in Ayers Cliff has been rebuilt to provide greater capacity as well as to improve the service in this district. All plants and equipment have been maintained in first class condition."

Bell Telephone Co. Business is Expanding

From Our Own Correspondent

MONTREAL.—Business of the Bell Telephone Co. this year reflects a continuation of the pick-up first experienced in the final quarter of 1933, according to a statement made by C. F. Sise, president, in a letter to the shareholders covering the current dividend cheques.

After referring briefly to last year's late betterment, Mr. Sise went on to say: "It is gratifying to be able to say that this improvement continued in the first two months of 1934. As this is written, results are not available beyond those months. As contrasted with the net loss in telephones of 13,367 in January and February, 1933, the same two months in 1934 show a loss of only 947. Long distance business for the first two months this year is 15 per cent over the same period of 1933.

Mtl. Tramway Commission Faces Problem

From Our Own Correspondent

MONTREAL.—Prospects of the Montreal Tramways Commission covering its obligations to the Montreal Tramways Co. and the City of Montreal out of current revenues in 1934 do not appear especially favorable at this time, according to a statement made in the report of the Commission covering operations for the past year.

As a result of deficits in 1932 and 1933, the tolls reduction fund has been depleted, while the contingent reserve fund has been cut to $366,893. Last year there was a deficit of $574,501 and in the event of no improvement this year, the contingent fund would be wiped out and the commission would still be nearly $200,000 short of covering its requirements.

There is no suggestion in the commission's report that the tramway fares would be increased to enable operations to be conducted on a more profitable basis. It is pointed out, however, that the average fare of 6.04 cents in 1933 has varied slightly since 1921, while in American cities it has increased from 7.18 cents to 7.86 cents in 1933. This latter fare, says the commission, is actually 30 per cent higher than the Montreal fare.

HYDRO ELECTRIC SECURITIES CORP. RECORD OFF YEAR

Policy Change Contemplated — Smaller Profit in 1933

From Our Own Correspondent

MONTREAL. — A proposal to change the management's investment's policy, additional shrinkage in the value of investments, further purchases of preferred stock for cancellation and continued decline in earning power are some of the features of the 1933 annual fiscal statement of Hydro-Electric Securities Corp., a public utility investment trust brought into being by the late Alfred Lowenstein.

Total income in 1933 for Hydro-Electric Securities amounted to $723,621. This compares with $1,066,386 in the previous year. After providing for all charges, there was a surplus for the year of $212,432, as against $277,643 in 1932. During the latter year, however, the company paid dividends on its common stock and directors' fees for prior years totalling $45,047.

Particulars of the profit and loss and surplus accounts for the past two years follow:

	1933 $	1932 $
Div., int. (cash)	681,781	845,609
Div. rec. (stock)	41,839	102,920
Total ord. inc.	723,621	948,530
Other profits	......	117,855
Total income	723,621	1,066,386
Expenses, etc.	55,043	92,956
Net income	668,578	973,429
Pfd. divid.	456,146	508,100
Com. divid.	......	147,639
*Fees	......	45,047
Surplus	212,432	277,643
Prev. surplus	1,764,059	1,486,416
Total surplus	1,976,492	1,764,059

*Directors' fees for prior year.

Investments Are Down

Hydro Electric Securities' balance sheet at the end of 1933 showed assets totalling $26,105,792, compared with $27,772,299 in 1932.

Among the assets, cash on hand shows an increase from $593,101 to $3,121,917. Loans, made by the company, stand on the books at $926,106 or practically the same figure as a year ago.

Investments have a book value of $22,057,767, compared with $22,252,869 in the previous year. The securities owned by the company at the end of the year were originally acquired at a cost of $48,866,662, against which there has been written off $26,806,899 appropriated from the common stock capital account, leaving a net book value, as mentioned above, at $22,057,767.

The market value of these investments as at the end of 1933 was $9,754,105, showing a deficiency of $4,021,643 compared with the book value of the investments less investment and capital reserve.

Redeem More Preferred

At the end of last year the company had outstanding $8,459,990 of preferred stock, compared with $9,851,400 in 1932. Last year the company purchased 139,141 shares, bringing the total purchases to date up to 160,201 shares.

The capital reserve shows an increase from $78,481 to $532,000, while the investment reserve shows a decline from $8,696,393 to $7,750,019.

During the past year the company disposed of certain of its investments, the net result of which was a realization loss of $1,390,701. On the other hand, the conversion of certain United States and other currencies into Canadian funds was accomplished at a profit of $444,328, making a net capital loss for the year of $746,373. This capital loss was charged to the investment reserve.

Consequent upon the conditions prevailing in the electric light and power industry the world over, the directors are considering the advisability as far as future investments are concerned, of entering other investment fields which appear to be more promising.

PUBLIC OWNERSHIP BILL IS HELD OVER

From Our Own Correspondent

MONTREAL. — Legislation providing for the municipalization of electricity will not become law during the current session of the Quebec Legislature, the government announcing that it would not press the measure this session. The Bill will be reintroduced by the government at its next session.

Between sessions the government will give further study to the subject of municipalization. Under the present Bill, any municipality may municipalize electricity by passing a by-law to be approved of by the ratepayers. When the Bill is voted, a commission will be formed in each municipality charged with the task of creating and operating the system, and issuing bonds, guaranteed by the municipality, to secure the necessary capital. Certain necessary expropriation rights were given the commission.

Intention was that the commission would be independent of the municipal authorities in each case, for the government did not wish the municipal council to deal directly with such a matter and, furthermore, it was intended that the receipts of the commission would not go to the ordinary revenue of the municipality. The Bill also provided that the rate charged must care for maintenance, interest and sinking fund, and 5 per cent depreciation.

INTERNAT. HYDRO ELECTRIC EARNS $2.25 ON A STOCK

Revenues in 1933 Record Moderate Drop from 1932 Level

From Our Own Correspondent

MONTREAL.—International Hydro-Electric System, one of the two major divisions of International Paper and Power Co., reports consolidated net earnings in 1933 of $1,927,102, or the equivalent of $2.25 a share on the average number of Class A shares outstanding during the year. This compares with $2.72 a share on the average number of Class A shares outstanding in the previous year.

Electricity generated by properties now controlled by International Hydro-Electric System aggregated 5,006,133,100 kw.h. in 1933, compared with 4,866,141,700 kw.h. for the same properties in 1932. Operating revenue was lower than in 1932, with a small increase in electric sales offset by declines in revenue from other types of operations. Profit on bonds redeemed was lower and a larger loss was suffered on Canadian exchange transactions.

Operating Costs Growing

For the year as a whole there was a reduction in operating expenses and in interest expenses but tax payments were higher and in recent months operating expenses have been showing an upward trend.

In the early months of 1934, operating revenue has reflected an increase over the corresponding months of last year, but to date this improvement has been in large part offset by increases in costs.

Conserve Cash Resources

As the trend in cost of operation and taxes continues upward and threatens still further decreases in net earnings, Archibald R. Graustein, president, points out in the report that the management deemed it prudent to continue for the present the policy of using available cash resources to strengthen the position of the system rather than for payment of dividends on the Class A stock. Added to this is the difficulty in securing new capital and to the extent that the directors may feel it is necessary to provide funds out of earnings for the reduction of debt or for building up a reserve to meet coming maturities, the system will have less cash available for dividend distribution to its stockholders.

Particulars of the profit and loss account for the past two years follow:

	1933 $	1932 $
Gross revenue	62,228,768	63,757,871
Less: Oper. expenses.	17,578,150	18,126,773
Taxes	6,365,912	5,942,378
Maintenance	3,073,541	3,457,117
Net revenue	35,211,165	36,231,603
Less: Sub. interest ...	13,408,062	13,908,307
I. H. E. S. interest..	1,796,891	1,800,000
Other interest	93,005	117,105
Depreciation	5,082,193	5,019,772
Amort. of disc.	906,038	1,147,935
Income tax res.	1,507,902	1,423,433
Sub. dividends	8,497,570	8,510,238
Min. interest	1,502,050	1,477,014
Net income	2,418,454	2,827,799
Less: I. H. E. S. divds.	491,362	905,435
Surplus	1,927,102	1,922,364
Previous surplus	8,558,427	19,120,236
Carried forward	10,485,529	21,042,600

Working Capital Better

International Hydro-Electric's consolidated general balance sheet at the end of 1933 showed assets totalling $580,493,026. This is approximately $400,000 less than reported in 1932.

The net working capital position of the company showed a marked improvement during the year. At the end of 1932, current liabilities exceeded current assets by approximately $2,000,000, whereas at the close of the past year current assets were about $5,200,000 greater than the current liabilities.

Change in Debt

Funded debt of the system now totals $286,656,388, compared with $284,732,500 at the end of 1932. New financing during 1933 was limited to two issues, aggregating $5,000,000, of two subsidiaries of New England Power Association. Through sinking fund and maturities $3,076,111 funded debt of subsidiaries was retired, making a net increase from $1,923,839 in consolidated debt.

Cut Notes Payable

Consolidated short-term notes payable were reduced by $7,123,881. The balance outstanding at the end of 1933 amounted to $2,512,200, all of which is owed by subsidiaries of New England Power Association and none is secured by collateral.

Preferred and Class A stocks of subsidiaries outstanding shows a minor increase at $128,110,249. No change has taken place in the system's issued capital stock.

On the other side of the balance sheet, capital assets are at $544,687,806 or practically the same as reported in 1932.

Current assets show a moderate contraction from $15,875,161 to $15,367,042. No particular change occurred in the deferred assets and expenses, excepting for discount and expense on bonds and other securities issued which was reduced from $18,116,417 to $17,413,452.

Unpaid cumulative dividends on the system's Class A stock from April 1, 1932, to December 31, 1933, amounted to $3,003,689.

MONTREAL ISLAND POWER LOSES CASE

Municipality Awarded $20,801 for Alleged Flood Damages

From Our Own Correspondent

MONTREAL. — Montreal Island Power Co., owning and operating a large power plant on the Back River near Montreal and controlled by Montreal Light, Heat and Power Consold., has been condemned by the Quebec Public Service Commission to pay $20,801 to the municipality of Laval-des-Rapides for alleged damage to the town's pumping and filtration plant by floods.

The municipality had asked $83,000, alleging that the plant had been erected many years before the company had constructed its power dam at Sault-au-Recollet and had maintained the water level above the height authorized by the Provincial Government.

The company denied all responsibility for flood damages.

Hold Company Responsible

The Quebec Public Service Commission, in its judgment, holds the company responsible for its inability to keep the basins clean and to prevent the floods.

Awarding $7,258 for the elevation of the land, the commission also grants $3,425 for improvements and modifications to be made to the plant in addition to the balance, to pay for survey works, actual damages and other necessary expenses caused by the floods.

JAMAICA PUBLIC SERVICE PROFITS HOLD WELL IN '33

Canadian-owned Utility Reports Satisfactory Year

From Our Own Correspondent

MONTREAL.—Jamaica Public Service's consolidated report for 1933 shows earnings on a basis comparing very favorably with those reported in the preceding twelve months. After allowing for all senior charges, earnings on the common stock were equal to $1.48 a share compared with $1.51 in 1932.

Combined gross earnings at $802,259 were 1.4 per cent greater than in 1932. Electric department revenue, constituting 65 per cent of the total, increased $34,419 or 7.1 per cent over the previous year. The transportation department revenue decreased 6.9 per cent compared with a 14 per cent drop in 1932.

Surplus is Kept Up

Details of the consolidated income statement for the past two years compare as follows:

	1933 $	1932 $
Gross earn.	802,259	790,916
‡Oper. exp.	475,151	465,248
Balance	327,108	325,668
Int. and amortiz.	113,615	111,738
Retire res.	90,000	90,000
Net income	123,493	123,930
Pfd. divid.	56,987	56,000
Com. divid.	45,000	45,000
Surplus	21,506	22,930
Prev. surp.	179,516	183,144
Totals	201,022	206,074
Adjust.	†910	*26,558
P. & L. bal.	201,932	179,516

‡Including provision for taxes. †Net direct credit. *Net direct charges.

Working Capital Position

	1933 $	1932 $
Curr. assets	506,888	341,328
Curr. liabs.	171,654	59,781
Work. capital	335,234	281,547

Capital Liabilities Up

The consolidated balance sheet of Jamaica Public Service at the end of 1933, showed assets totalling $5,015,818, compared with $4,762,472 in 1932. The increase is due in part to surplus earnings, the sale of a small block of preference D stock and the borrowing of nearly $100,000 on notes.

Among liabilities, it is noted that there is no change in the senior preference stock issue, while the amount of B preference shares outstanding increased from $250,000 to $314,629. The funded debt, on the other hand, has been reduced by $30,000 to $1,970,000. Notes payable, a new item, stand on the books at $97,166.

The property retirement reserves were increased during the year by approximately $88,000 to $482,087. The operating reserve remains unchanged. A reserve of $60,236 to take care of fluctuations in exchange rates has been set up on the books of the company. This offsets a reserve of $62,711 for unadjusted credits, which has been eliminated from the books.

Extend Property Account

On the asset side of the balance sheet, the property account shows an increase in book value from $3,948,754 to $4,019,991. The principal addition consists of expenditure to serve new business and installation of an additional boiler and auxiliary equipment in the Kingston steam plant.

An increase in cash on hand from $100,237 to $269,279, features current assets, which in the aggregate total $506,888, as against $341,328 at the end of 1932.

Miscellaneous investments show a moderate increase at $234,232. The unamortized debt discount has been written down by about $12,000 to $190,709. Unadjusted debits show an increase from $17,614 to $32,548.

Other items among the assets and liabilities do not show any particular change, during the year.

Saint John Traffic Sets Record in March

From Our Own Correspondent

MONTREAL.—March showed the biggest increase in port traffic of any month this season at Saint John. The volume of freight which passed through the port was greater than in any other single month since pre-depression boom days.

General cargo exports, according to a report of the Saint John Harbour Commission, increased by 67 per cent compared with those of March, 1933, and imports were up 36 per cent.

The tonnage handled at the port of Saint John last March, including grain, amounted to 255,570 tons, compared with 183,381 tons in the same month last year, a gain of 72,189 tons. The gain was all in general cargo.

Canadian Industries Makes Executive Changes

From Our Own Correspondent

MONTREAL.—Canadian Industries Ltd. announce the appointment of Geo. W. Huggett, as vice-president and treasurer, while Russell Smith has been named secretary.

Mr. Huggett has been connected with the chemical industry for over 20 years and has served in Japan and China.

Beauharnois—

An Excellent Investment

Beauharnois Light, Heat and Power Company is now delivering power, under long term contracts, to the Hydro-Electric Power Commission of Ontario and Montreal Light, Heat and Power Consolidated, the latter being closely associated with the management of the Company.

The First Mortgage 5½% Sinking Fund Series A Bonds, due January 1st, 1973, provide an investment opportunity of merit in one of Canada's outstanding public utility enterprises.

Price: 96.75 and interest, to yield 5.71%

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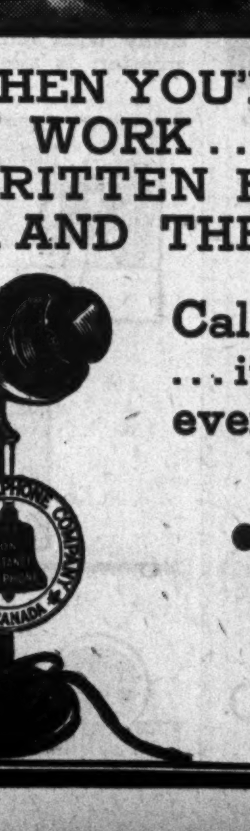

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News of Investment Markets

DOMINION SELLS TREASURY BILLS; MARKETS FIRM

Gilt-edged Bond Prices at Best Levels Since 1914

Gilt-edged bonds again dominated Canadian trading in the week ended April 17 with steady advances. Prices of Dominion, Dominion guaranteed, Quebec, Ontario and the best regarded municipal bonds are now clearly above the best prices since 1914.

The Dominion Government sold another block of $15,000,000 treasury bills on April 17, the amount and the day of the week coinciding exactly with the transaction of March 6. This is taken to indicate that the policy of public sale of bills is likely to be continued to the end of building a short-term money market in Canada. Economists feel that these increases in the floating debt will facilitate the operations of the Bank of Canada, if as and when it is created.

Authority 1931 Statute

It is noteworthy that the authority for the sale of treasury bills is the Loan Act, 1931, which The Financial Post pointed out over a year ago left tremendous borrowing powers in the hands of the Government without the need for additional Parliamentary sanction.

Strength of the gilt-edged bond market also brought out calls for tenders from five municipalities. Dorval, Que., Gloucester, N.B., Penetang and Orillia, Ont., and Charlottetown are seeking total loans of $422,000. Since loans that have been placed on the market this year have been cleaned off dealers' shelves, good prices are expected in most cases.

The strength of gilt-edged issues is indicated by advance of The Financial Post's daily average price on seven issues to 107.87, the highest level of the year. Average yield declined in conformity, as shown below:

Average Yield on Seven High-Grade Canadian Bonds

	%		%
Apr. 17	4.036	Apr. 11	4.069
Apr. 16	4.041	Apr. 10	4.073
Apr. 14	4.047	Apr. 9	4.080
Apr. 13	4.050	Mar. 29	4.094
Apr. 12	4.053	Feb. 28	4.270

Corporate Bonds Gain

Western provincial issues lacked feature. Corporation bonds were firm, with a few outstanding gains. Abitibi 5's of 1933 were up 2½ points to 42½ on the bid side. Canada Steamships 6's of 1941 gained seven points to 32. Dominion Tar 6's of 1949, which have been strong for some weeks, rose two points to 91. Another strong construction issue was Canadian Vickers 6's of 1947, up two points to 59. Gypsum, 5½'s of 1948 gained 1½ points to 74.

Railway Earnings

Week end. Apr. 14:	1934 $	1933 $	Increase $
C. P. R.	2,163,000	1,760,000	403,000
C. N. R.	3,074,020	2,502,210	571,810

Shawinigan Power Output And Earnings Ahead in 1934

From Our Own Correspondent

MONTREAL. — Shawinigan Water and Power Co.'s gross revenue for the first quarter of 1934 compares favorably with that for the first three months of 1933. The surplus before depreciation and income tax amounts to $716,016, compared with $592,945 in the first quarter of last year. The improvement is largely attributable to a sharp reduction in the premium paid on the purchase of United States funds to meet bond interest and other charges.

Shawinigan's output for the first three months of the present year shows a substantial improvement over the corresponding quarter of last year. Total power generated and sold to the end of March aggregated 1,022,523,327 kw.h., as against 892,229,350 kw.h. for the same period of last year, an increase of 14.6 per cent. The increase in consumption was wholly under primary power contracts, the sales of secondary and hydraulic power showing a slight decrease.

The work on the development at Rapide Blanc progressed sufficiently during the early part of the year to enable the company to place the first unit in operation on February 18, the second on March 18, and the third on April 9. The fourth unit is expected to be installed on or about April 28. With the completion of these four units at Rapide Blanc aggregating 160,000 h.p., the company will have available from its own power plants a capacity of 809,200 electrical h.p. and 55,000 hydraulic h.p.

The following table setting out the profit and loss account figures for the first quarter of 1934 and 1933.

Three Months Ended March 31

	1934 $	1933 $
Gross revenue	2,916,779	*2,851,203
Expenses:		
Gen oper. & maint. expense	558,032	526,266
Power purchased ...	389,859	†436,604
Water rentals	87,648	91,258
Taxes & insurance..	162,040	172,281
Exch. on fixed chgs...	42,892	153,747
Net oper. revenue ...	1,675,318	1,471,047
Fixed charges	‡959,297	§878,102
Surplus before deprec. and income tax.....	716,016	592,945

*After deduction of $150,000 representing charge on capital cost of work under construction, but eliminated from gross revenue in the annual report for 1933.

§After deducting $150,000 as above noted, (not deducted in 1933).

‡After deduction of $75,000 being interest on capital cost of work under construction at the rate of $300,000 per year.

†Includes U. S. exchange of $59,702.39.

ROBERT GAIR CO. TAKE OVER UNITS CAN. PAPERBOARD

American Boxboard Firms Acquire Bankrupt Property

From Our Own Correspondent

MONTREAL.—Subject to ratification by the shareholders of the company, an agreement has been made between Canada Paperboard Ltd., and Gair Co. of Canada, Ltd., subsidiary of the Robert Gair Co. Inc. of New York, whereby the operation of Canadian Paperboard's four plants will be taken over.

It is probable that a new company will be formed and shareholders will receive an offer for the exchange of their present securities. Until this company is formed and its securities ready for distribution, the date of the meeting of shareholders will not be definitely set.

Large U. S. Operators

The Robert Gair Co. Inc. is a leading manufacturer of boxboard, shipping containers, folding cartons, etc., in the United States. The president of the company, E. Victor Donaldson, was for many years identified with the paper industry in Canada.

Operations at the Montreal mill of Canadian Paperboard will be continued without interruption and it is expected that in the near future this plant will be operating at greater capacity. The other three plants of Canadian Paperboard are located at Toronto, Frankford and Campbellford.

Winnipeg Electric Dealings With City Becoming Clearer

From Our Own Correspondent

WINNIPEG.—The situation between the Winnipeg Electric Co. and the City of Winnipeg is becoming more clearly defined.

President Anderson has reiterated the willingness of the company to sell either the street railway alone, or all the undertakings of the company at prices to be fixed by arbitration but the city council will almost certainly reject any such proposals, as its members feel that an arbitrated price would be much higher than might be obtained by negotiation.

Failing any progress in discussions as to purchase, the company may be in a stronger position, when the legislature again meets, to get that body to intervene, and to carry through the proposals now embodied in a bill, which would relieve the company from taxes, etc.

Bond Tenders

6 p.m., April 23, Village of Dorval, P.Q.—$65,000, 5½ per cent bonds dated May 1, 1934, payable May 1, 1944. Horace Melocke, sec.-treas., Dorval.

Apr. 25, Orillia—$50,000, 6 per cent, 15-install. debentures, guaranteed by County of Simcoe. Miss C. M. Johnston.

Apr. 20, Penetanguishene — $20,000, 5½ per cent, 10-install., guaranteed by Simcoe. W. H. Hewson.

Apr. 19, Gloucester, N.B.—$100,000, 5½ per cent, 15-yr. B. C. Mullins, treas.

Apr. 23, Charlottetown—$187,000, 4½ per cent, 20-yr. relief and general. G. P. Nicholson, clerk.

Noon, Apr. 28, Sorel, P.Q. — $100,000, 6 per cent bonds, dated May 1, 1934, due serially May 1, 1935 to May 1, 1944. A. O. Cartier, clerk.

Barrett ROOFS have the Greatest Life Expectancy

YOUR ROOF...

For years the Barrett Company Limited has performed a rather unique service for building owners and factory managements. From time to time, at the request of men interested in the maintenance of plants and other buildings, skilled Barrett Inspectors have made careful surveys of the roofs of these buildings and rendered detailed reports.

In many instances such examinations have resulted in large savings in building maintenance and in the case of factory buildings, have undoubtedly prevented the loss of operating time and damage to stock which often result from roof leaks.

Ask yourself these questions:

"Have I any definite knowledge of the condition of the roofs for which I am responsible?"

"Are repairs or replacements necessary now? Do I know when any repairs will be necessary?"

"Is there danger of unforeseen interruptions caused by roof troubles?"

"Are all our roofs absolutely fire-safe?"

To answer these and any other roof questions, Barrett with its 80 years of experience "Between the World and the Weather" offers you the benefits of its Roof Inspection Service, free of charge or obligation.

The Barrett Company LIMITED
MONTREAL TORONTO WINNIPEG VANCOUVER

BUR 3

Investment Notes

Significant Investors' Index Numbers
1926 — 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.8	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1934:										
January ..	98.1	11.4	74.9	147.0	66.6	122.6	163.6	116.6	53.5	83.8
February ..	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March ...	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
Weekly Figures, 1934:										
Apr. 5	110.8	11.1	76.4	156.3	74.5	133.2	166.7	133.1	58.6	96.7
Apr. 12 ..	113.9	11.5	76.4	153.2	74.0	137.6	165.4	133.3	58.7	97.2

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

National Grocers

NATIONAL GROCERS COMPANY has made a payment of $1.75 a share on all the preference shares of the company on account of arrears for the quarter ended June 30, 1926, payable on May 1, 1934 to shareholders of record at the close of business on April 20, 1934. The company paid $2.61 a share to the holders of 29,216 preference shares on January 1, covering arrears in dividends from August 18, 1925 to January 1, 1926. Another payment of $1.75 a share was made on April 1, 1934, covering the period from January 1 to March 31, 1926. The company has therefore in these three payments covering the first four months of 1934 looked after arrears of nearly one year. On June 30, 1933, dividends were in arrears 49½ per cent. They are now in arrears 42 per cent.

The company has a strong working capital position.

Cawthra Apartments

OFFICERS of Cawthra Apts. Ltd., state, in connection with demands of a group of preferred shareholders for additional protective clauses in the company's charter, that this would entail an expense that the company is not readily able to bear. It is also stated that the proposed clause to prevent surplus earnings being used for any purpose but creation of a sinking fund for bonds and dividends for preferred shares would be of no value for some years because of the heavy payments for interest, taxes and note redemption that the company faces.

It was intimated to The Financial Post that some consideration may be given to cancellation of common shares, which, it is claimed, would effect the same result but with less expense. The preferred shares and new bonds were issued to old bondholders at the time of reorganization in 1933. Common shares have 500 votes, which, however, will not be effective at the next meeting unless 1934 preferred dividends are paid, a remote possibility, it is understood. These common votes were instrumental in electing the present board of directors at this year's meeting, after a proxy scramble which was reported in The Financial Post of March 31.

FORD OF CANADA OPERATING LOSS MUCH SMALLER

Gives Shareholders Hope for Profits on Larger 1934 Sales

Ford Company of Canada's greatly increased sales in 1934 to date will appear much more interesting to shareholders hoping for profits in view of the fact that the annual statement for 1933 shows the annual loss to have been cut from $5,206,736 in 1932 to $620,701 in 1933 even though total sales dropped from $17,168,770 in 1932 to $16,804,794 in 1933. Actual operating loss in 1933 was $1,174,992 but receipts of dividends of $554,291 from affiliated foreign companies brought the loss down.

Income and Surplus Account
Years Ended December 31

	1933 $	1932 $
Loss from operations	1,174,992	5,206,736
Divids. from affil co's.	554,291	......
Net loss	620,701	5,206,736
Dividends	1,658,960	......
Deficit for year	2,279,661	5,206,736
Prev. surplus	18,557,526	24,764,262
Less: Trans. to res. ..	......	1,000,000
Balance forward	†16,272,066	18,557,526

† Less adjustment of $5,799.

Paid December Dividend

The dividend of $1 a share on 1,588,960 Class A and 70,000 Class B no par value common shares was paid in December, not because the company had a net profit but because after a long interval it was able to bring to Canada important amounts owed it by subsidiaries in other lands, notably Australia, and also as an expression of confidence in business of 1934. It followed up that expression of confidence in a signal manner by large-scale advertising and salesmanship programmes and sales have been high in consequence.

Working capital is down because of the dividends but the following comparative table indicates that the company's liquid strength is very great:

Working Capital

	1933 $	1932 $
Current assets	23,291,046	23,108,679
Current liabilities	1,516,008	566,758
Working capital	21,775,038	22,641,921
Ratio	15.36—1	40.77—1

Though the total current assets show little increase, the liquid items do. Cash went up from $2,302,535 to $6,273,952 and Dominion bonds at $11,257,666 are not much below $11,414,594 a year earlier. Interest accrued receivable is up from $122,008 to $129,553. Accounts receivable increased from $743,940 to $1,257,093. Advances to affiliated companies, however, dropped $4,282,187 from $6,457,065 to $2,174,878. "The changes in these accounts," says Wallace R. Campbell, president, "were the result of substantial remittances on merchandise accounts to the company from affiliated companies, improved exchange rates and unrestricted movement of funds being favorable factors in enabling the overseas companies to liquidate all but their current indebtedness to the Canadian company."

Inventories went up from $1,521,435 to $2,197,904. Accounts payable increased from $566,758 to $1,516,008, and as this includes payroll, it is another evidence of company's increasing activity in production even at the end of 1933.

Home office and branch plants valuation increased from $25,531,070 to $25,793,361 and depreciation went up from $18,256,683 to $20,021,345, an increase of $1,764,662. This indicates that net operating earnings before depreciation must have exceeded one million dollars. Investments in capital stocks of affiliated companies are still shown at $6,205,502.

Common Equity $17.93

The treatment of the reserve of $4,500,000 for investments in affiliated companies and for contingencies shows how much anxiety and stress have been lifted from the shoulders of the company during 1933. Up to 1930 this reserve was for contingencies only and at the end of 1929 it stood at $1,000,000. Since then it has been increased from year to year until at the end of 1932 it was $4,500,000 as the derangement of affairs in the financial world made it necessary to provide for depreciation in the market value of bonds, impairment of capital of affiliated companies and depreciation in foreign exchange. In 1933 the company's position improved so much along with general improvement in exchange, earnings of affiliated companies and in value of bonds that it was decided the reserve requirement would be amply looked after by $1,000,000. No specific reserve was required for depreciation in foreign exchange rates, and the unrequired portion of the reserve, $3,250,000, was used to create a general reserve fund available for any emergency or requirement.

The 1,658,960 Classes A and B no par value common shares have an equity of $13.13 in net current assets and of $4.80 a share in non-current, tangible assets after deducting reserves equal to three quarters of the balance sheet valuation. This makes a total net tangible equity for common stock of $17.93.

United Steel Corp. Wants Standard Steel

Makes Stock Exchange Offer Good Until May 15 — This is Next Step Following Acquisition of Dodge Manufacturing Last October

As indicated by The Financial Post last October, United Steel Corp. has followed up its acquisition of Dodge Manufacturing Co. by making an offer for shares of Standard Steel Construction on the basis of one share no par value common stock and a fractional interest of $2.50 in one fully paid preference share of $25 par of United Steel Corp. for each share of Standard Steel common stock. The offer is open until May 15 and for ten days thereafter United Steel Corp. will have the right to withdraw the offer if 75 per cent of Standard Steel stock is not deposited.

United Steel Corp. is a new company formed last year to absorb several Canadian companies engaged in manufacturing structural steel, building and conveying equipment. On Sept. 25 last it had $500,000 in the bank, against which had been issued 5,000 Class "B" preference shares carried at $470,000 and 150,000 common shares carried at $30,000. Dodge Manufacturing Co., which was obtained by a similar share offer last October, makes power transmission machinery, elevating and conveying equipment and special mining machinery. Its subsidiary, Canadian Mead-Morrison Co., manufactures coal bridges, coal handling equipment, dredges, scows, steam and electric hoists, buckets and derricks.

Is a Merger

If Standard Steel offer is accepted, the whole thing will amount to a merger of Dodge Manufacturing and Standard Steel, which manufactures structural steel for building, bridges, Blaw-Knox patented batchers and mixers and other steel equipment for road-making and paving. The new company intends to proceed until it has complete facilities for the manufacture of structural steel, bridge work and a complete line of mining machinery along the lines of Dominion Bridge. It has been consolidating Dodge and Mead-Morrison operations since the deal for Dodge Manufacturing last October.

United Steel's full authorized capital last September was 80,000 Class A preference shares of $25 par value, 10,000 Class B no par value preference shares and 300,000 common shares of no par value. The only issued stock was that already mentioned but it was increased by the acquisition of Dodge Manufacturing because the offer was one Class A preference share of $25 par value of United Steel for each Class A preferred share of Dodge and one Class A preference share of United for each five shares of Class B common of Dodge. That took 20,968 Class A 6 per cent non-cumulative preference shares of United Steel.

United Steel's surplus account shows a balance of $10,305 as at Jan. 31, after $20,262 depreciation and $1,050 bond interest. The balance sheet reveals current assets of $777,449, against current liabilities of $25,543. Of current assets, cash is $500,019; receivables, $45,342; inventories, $229,034. Fixed assets appear at $1,566,490. Deferred liabilities stand at $5,236; reserve in Class A shares, $28,057; 6 per cent bonds, $211,050.

Standard Steel's annual report shows a deficit for 1933 of $10,001, before $7,342 preferred dividends, $815 provincial tax, and $3,140 life insurance premium. The 1932 deficit was $14,764 before dividends.

The amount brought forward to credit of profit and loss was $250,866, to which were added $2,164 additional cash surrender value life insurance, and $78 refund on income tax. The balance carried forward was $231,609.

The balance sheet shows a reduction in net working capital of $11,264, at a total of $248,825.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Wm. Davies A	6%	1942	May 1	104
Wabasso Cotton	*6%	1947	June 1	105
Can. For. Inv.†	7%	1949	June 1	105

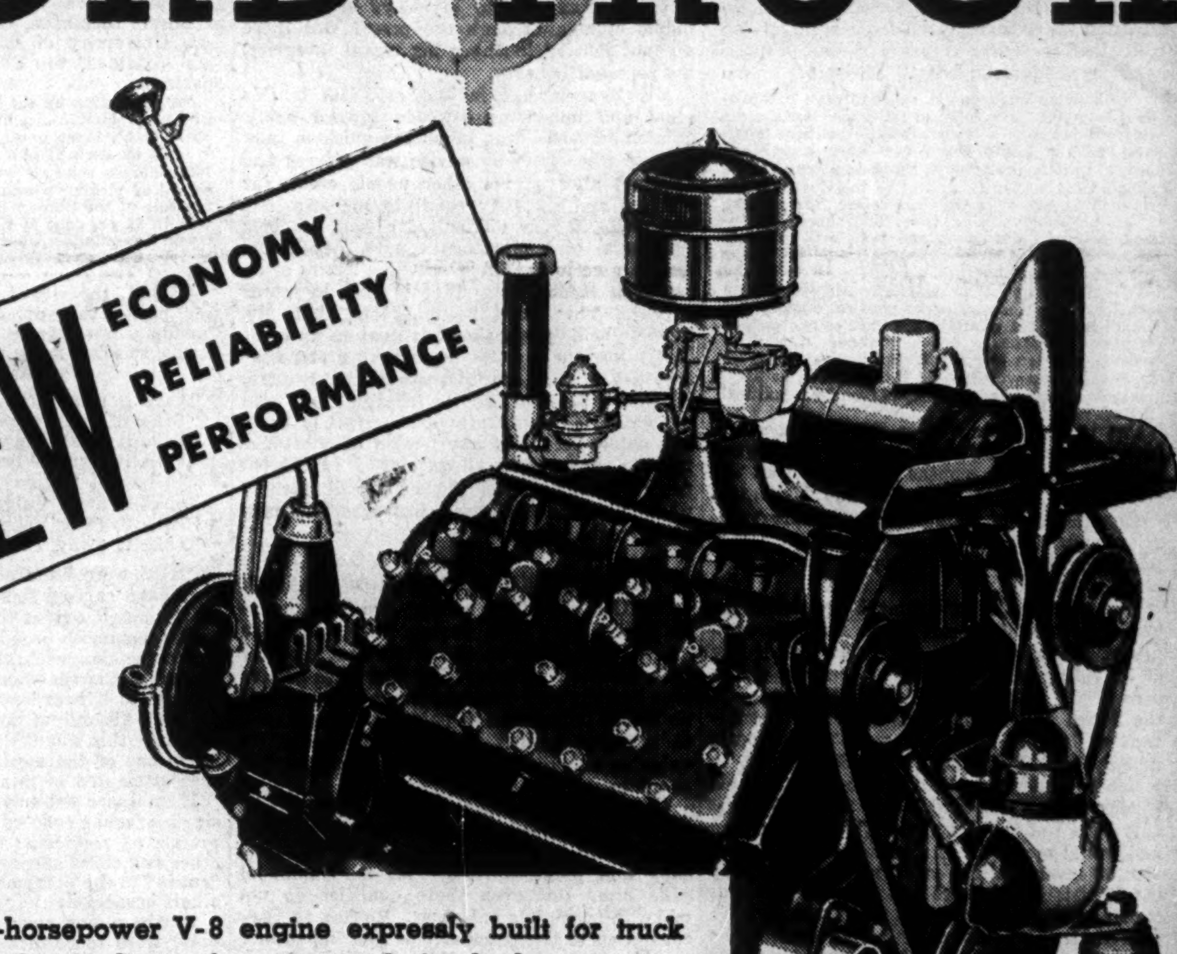
*$10,000.
†$233,000.

Weekly Record of Financing in Canada

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
Superfeeds, Ltd.	Apr. [illegible]	W. J. Marshall & Co.	6½%	15-yr.	$30,000	...	...
		(Offering in units of 10 bonds, 1 pref. sh. and 1 com. sh. $110 per unit)					
Stock Issues—							
Cariboo Amalg. Gold Mines	Apr. [illegible]	Waghorn, Gwynn & Co.	...	...	250,000 shs.	40c.	...
Euphrates Mining Co.	Apr. [illegible]	Colquhon de Wolf & Co.	[illegible]	[illegible]	230,000 shs.	...	...
Prosperine Gold Mines	Apr. [illegible]	Robb, Robertson & Birch, Vancouver	...	...	400,000 shs.	50c.	...
Long Lac Adair Mines	Apr. 18	C. N. Curran & Co.	...	...	300,000 shs.	25c.	...

THE NEW FORD V-8 TRUCK

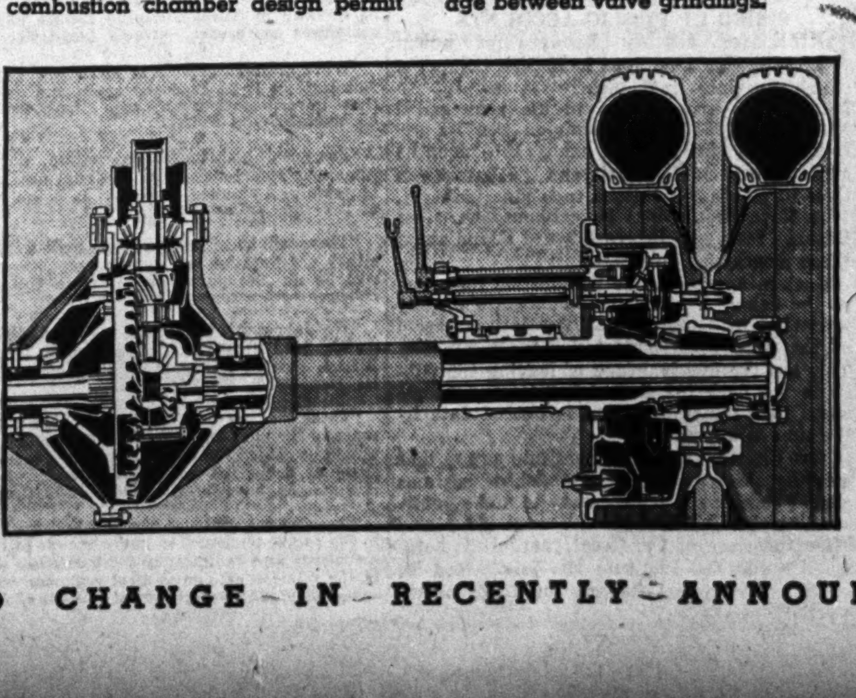


NEW ECONOMY RELIABILITY PERFORMANCE

Special 80-horsepower V-8 engine expressly built for truck work gives 8-cylinder performance with 4-cylinder economy

The Special Ford V-8 Truck Engine is a real truck engine, built for heavy-duty truck service. It uses no more fuel than a "four," but divides it into eight parts. Develops more power per gallon of gasoline than any other Ford truck engine ever built.

New power, new economy, new reliability are assured by its many outstanding truck engine features. New dual down-draft carburetor and dual intake manifold cut fuel consumption, give easy starting and increase power and acceleration. New truck-type cylinder heads and new combustion chamber design permit high power from regular fuels. High torque is developed over a wider range of revolutions. Overlapping power impulses give continuous power and speed. New heavy-duty connecting-rod bearings are of a new copper-lead material for long life and resistance to extreme bearing pressures. Efficient engine and oil temperatures are maintained by full-length water-jackets, two water pumps, waterline thermostats, thermostatic manifold heat control, and the big truck-type 4½-gallon radiator. Exhaust valve seat inserts seal in compression and double the mileage between valve grindings.



NEW HEAVY-DUTY FULL FLOATING REAR AXLE

This year, the New Ford V-8 Truck gives you the advantage of a full floating rear axle. The entire weight of the truck and load is carried on the heavily reinforced axle housings. The axle shaft is left free to drive the wheels. You can remove the axle shafts without removing the wheels or jacking up the truck. The entire rear end has been materially strengthened. The pinion gear is straddle-mounted for strength and proper alignment. Rear springs are semi-elliptic and shackled at both ends, a feature made possible by the use of torque-tube drive. Ford brakes have an unusually large braking area. They are exceptionally safe and powerful. In every detail, these New Ford V-8 Trucks are built to stay on the job and out of the repair shop.

131½-INCH and 157-INCH WHEELBASES BODY TYPES FOR PRACTICALLY ALL REQUIREMENTS

NO CHANGE IN RECENTLY ANNOUNCED LOW PRICES

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Editor—FLOYD S. CHALMERS
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TORONTO, APRIL 21, 1934

FUTURE OF TARIFF BOARD IN GOVERNMENT'S HANDS

IN ADDRESSING a reference to the Supreme Court on the powers of the Tariff Board, the government has aroused much criticism in Britain as well as at home.

For generations tariff making in Canada has been carried on in an unscientific, slipshod manner, with political influences frequently outweighing economic requirements.

There was general public support for the government's policy, in 1931, of removing at least the administration of the tariff from the hands of politicians and their dependent civil servants and vesting it in an independent and quasi-judicial tribunal.

But it now appears that the political forces were not defeated. In addressing the reference to the Supreme Court the government has raised questions which, if answered by the judiciary in a certain way, will reduce the Board virtually to impotence. In this event the Board will amount to nothing more important than an advisory body of the type headed prior to 1930 by W. H. Moore. It will be recalled that Mr. Bennett destroyed the old advisory board within a few hours of becoming Prime Minister, and later denounced it in Parliament. He held in 1931 that tariff administration must be removed from political control. He repeatedly referred to the proposed board as a "judicial body." He said:

"This is an endeavor to substitute an independent tribunal for a political tribunal—that is, the Governor in council being always a political tribunal and the tariff board not being a political body. If it is the view of the committee that we should provide for an appeal to the Governor-in-council, as has been the case under former acts, I am perfectly willing that that should be inserted. But I did think, and I am still strongly of the opinion, that the statute would be better for not making that provision. You have in the one instance a political body, governed by all the considerations that influence political bodies; and we all know just what the pressure of contending interests may be to get a minister to make a recommendation to council. As against that, we have this body which is not interested in political matters and makes its decisions free from political influence."

The record leading up to the present reference is simple. The Board was created a year ago and in recent months has found that the Department of National Revenue is contravening the law in maintaining arbitrary valuations against British goods. An interested manufacturer carried an appeal to the governor-in-council.

As a result, the government has asked the Supreme Court to decide if the Board is competent to deal with matters of law and if any of its rulings are effective without the signature of the Minister of National Revenue. If the Board is not competent to deal with matters of law, it must cease to hear appeals under Part II of the Tariff Board Act, in which it inherited the functions of the old Customs Appeal Board. This would leave it only Part I of the Act under which to function and would mean that its activities would consist of investigating cases referred to it by the Minister of Finance and of making recommendations with regard to tariff changes.

In 1931, the government having drafted the Tariff Board Act was under no illusion as to what the statute meant. It meant that the enforcement of the tariff was to be removed from political control. After less than a year of non-political control, the situation seems to have changed. The government is asking the Supreme Court to tell what the statute means. This, despite the fact that if the government now finds that there was a failure in 1931 to translate its ideas accurately into words, the Tariff Board Act could be amended at once and the original errors corrected. The reference to the Supreme Court is unnecessary and regrettable and can scarcely fail to weaken the position of the Board in the country.

In Great Britain the government's action has been interpreted as a breach of faith and an attempt to circumvent the Ottawa agreements. Strictly speaking, this criticsim is hardly valid since the reference to the courts touches only the Tariff Board's powers on matters of administration and not the Tariff Board's authority to recommend rates of duty that will give British manufacturers that reasonable opportunity for competition that the Ottawa agreements promised. British manufacturers see in the whole episode the opening wedge of an effort to make the tariff board a functional innocuity.

MERE ACTION IS NOT PROGRESS

PRESIDENT L. L. ANTHES of the Canadian Manufacturers' Association does well to throw out a warning in respect of the N. R. A. propaganda which is flooding across the border via the radio and other mediums. He finds after a trip through the West that the people of Canada are being very greatly influenced by what is happening in the U. S. A. and that the idea is growing that a similar system would be beneficial for Canada. The artificiality of the American situation and the difference in Canadian needs and conditions are apparently ignored.

The truth of Major Anthes' remarks finds ample support in the radical legislation passed a few days ago under the title "Bureau of Trade and Industry Act" in Alberta. This law fairly bristles with aims and ideas that have been everyday currency in the United States N. R. A. plans during the past twelve months but it pays no attention to N. R. A.'s failures. We seriously doubt if the political or business leaders in that province have the remotest idea just what they would be letting themselves in for, if such legislation were actually to be brought into operation.

It is natural at this stage in a long and bitter fight, that a great number of citizens feel anything is preferable to continued stagnation of trade and commerce. The apparent activity along social and economic lines in the United States has made that pasture—particularly to far-away eyes—look decidedly green.

It is well to remember though that mere change does not necessarily mean progress, and that Canada can well afford to move slowly in matters of such far-reaching significance to this and future generations. The very fact that Canada has regained so much lost ground in the past twelve months without recourse to artificial stimulii, is a matter of widespread admiration on the part of United States observers of the Canadian business picture.

The Financial Post, in its current series of articles "Codes for Canada" is presenting authoritative evidence concerning many good and many unworkable features of N. R. A.

IS SUCH CRITICISM WORTHY OF SERIOUS ATTENTION?

PRIME MINISTER BENNETT is very sensitive to personal criticism. In giving evidence before the Banking and Commerce Committee, touching upon the guarantee of the C. P. R. bank loan, he made it particularly clear that he was in no way financially interested in the Canadian Pacific Railway. In discussing in the House of Commons the grant of special powers to the government during the emergency, he defended himself from charges that he was seeking some personal advantages from dictatorial powers that were to be granted to the Cabinet. Again, when the decision to table the report of the investigator into the alleged tobacco combine was announced, Mr. Bennett stated that he was tabling the document the more readily because of allegations that he was largely interested as a shareholder in the Imperial Tobacco Company. He denied that he is interested in any way directly or indirectly in any tobacco company.

Isn't Mr. Bennett taking the criticisms too seriously? No honest or public-spirited person has ever charged Mr. Bennett with having any selfish, personal motive, any desire for private profit or any prospect of personal aggrandizement in any of its policies. Mr. Bennett is recognized generally throughout the country, by his political opponents as well as by his friends, as a man of the highest moral and ethical standard, devoted passionately to generous public service. If there has been criticism on these points, it has been the sneaking gossip of persons whose opinion is of no importance and it would be better for the Prime Minister to ignore it.

There are grounds upon which the Prime Minister can be honestly and fairly criticized. There are differences of opinion as to his policies, as to his methods of putting his policies into force, as to his ways of handling public opinion through the press. But these are not matter touching his moral integrity, his personal honesty.

Mr. Bennett has invited criticism by his rigid and unbending attitude toward public opinion. He has been much too quick to take offense when friendly advice was offered and does not always give other people credit for honesty and sincerity equal to his own. He has made it very difficult for even his best friends to give him the support they would like to give him. But even these faults arise out of a stubbornness that is akin to moral fervor. There can be no doubt that Mr. Bennett believes passionately that he is right in the various policies he is taking and that they are in the best interests of the country. It would not be fair to charge him with hypocrisy, or deliberate dishonesty. Is there any public record of any person of substance making any such allegations? Intelligent people do not expect the Prime Minister to waste his time answering whispers that may be circulated darkly.

IF EDITORS LIKE IT, IT'S A GOOD PAPER

THROUGHOUT the country, the daily newspapers have been paying their tribute to the Toronto Globe on the attainment recently of its ninetieth birthday. The Globe has always been famous as a newspaperman's paper; and no higher tribute can be paid to a journal than to say that editors of other papers find it valuable enough to read and original enough to quote.

George Brown, who founded the Globe, was the true reformer of the nineteenth century type. "Eager of heart, resolute of purpose, dour and public-spirited," M. O. Hammond calls him. But even these qualities do not make the complete reformer. He has to have conviction to the point of bias and impatience to the point of impractical idealism. These qualities Mr. Brown had and gave to the Globe in his day. His successors have retained his courage and his idealism and added to it greater realism.

The Globe is today perhaps the most zealous and independent reform daily in Canada. It is more liberal in spirit than Liberal in party adherence.

In ninety years The Globe has had only four presidents and seven editors and each one has taken up his pen as if he were taking up a flaming torch. There has been continuity in character in The Globe. Recently during the illness of the present editor, Harry W. Anderson, many of the editorial page leaders were written by a former editor, Stewart Lyon, but so well defined is The Globe's vigorous style that the readers were probably quite unaware that, in the mixed metaphor of a famous Canadian statesman, the old war horse was back in the saddle again. The Globe editorials are always Globe editorials no matter who writes them.

Nine decades merely provide a background for The Globe's tenth.

SPEED UP PUBLIC ACCOUNTS

PRIZE for dilatory issuance of public accounts for 1933 goes to British Columbia, which province took nearly 11 months to account for expenditures in the year ended March 31, 1933. The Dominion got its accounts into the public's hands 10½ months after the end of its fiscal year. Saskatchewan took 10 months; Manitoba took nine; Alberta, 7½; Nova Scotia, six; New Brunswick, five; Ontario, four, and Prince Edward Island about three months.

Custom appears to be responsible for much of the delay. Provincial accounts are usually presented with the opening legislative session of the year when budget debates commence. This has the disadvantage of leaving the public in the dark for such a long time in some cases that the information is out of date by the time it appears.

The Citizens Research Institute urges that existing laws or long-established customs should be changed if necessary to make public accounts available within a reasonable period after the close of the fiscal year. It is noteworthy that the Institute has just issued its study of provincial finance for 1932; nearly a year too late to be of prime value, and largely due to dilatory issue of provincial accounts. The Institute recommends also that the plan followed by Alberta of issuing quarterly statements might be followed with good results. The fact that there is no such statement for most of the provinces, coupled with delays in issuing the annual accounts does not tend to breed confidence. And it leaves Canadian provincial finance without the healthy influence of an informed public opinion.

EDITORIAL NOTES

"President Roosevelt on His Year" says a headline. Some folks would like to see it spelled "ear."

* * *

Authoritative Washington reports have it that the "high tide in economic experiment has been reached and the ebb begun." It is a bad time then for Canada to be entering upon economic experiment.

* * *

"The Reality of Recovery" is the title of this month's review of Leopold Joseph and Sons, London bankers, whose letters are always well written. It suggests the viewpoint in the article which is summed up in the words: "The distant outlook is doubtful. The immediate outlook is relatively good."

* * *

Six thousand shareholders of the Bank of the United States have been assessed $8,000,000 to pay depositors' losses, which probably makes certain that in the future no banking promoter will ever be allowed to use that name for a privately owned bank.

Post-Scripts

EVERYONE is familiar with the old saw about the man who said: "Oh, you're from New York. Do you know Tom Jones who lives there?" Postscripts have at least uncovered the answer to a ubiquitous surname.

A recent Canadian visitor to Washington stayed with a family employing a negress cook named Jones. But she had been christened Alabama Beauty-Spot Temptation Touch-Me-Not Jones. They called her Alabama for short.

* * *

BOOM in the Scottish whisky industry as a result of the United States going "wet" is proving of benefit to the ministers serving the Church of Scotland. This year they get salary increases ranging from $300 to $500 and in addition expect a substantial bonus at the end of the year.

Three hundred years ago the ministers were paid in kind, generally grain. When the barter system was dropped, the annual tithe exacted from farmers was based upon the ruling price for grain. The whisky boom has sent barley prices bounding upward and the ministers gain accordingly, except those taking up their parishes since 1925 who are governed by an act passed in that year setting a fixed stipend.

* * *

THAT the attempts of daily newspaper sports writers to pick the winners of horse races are generally unsuccessful is the finding of Burris Dickinson, of the school of journalism, University of Illinois. His observation was confined to Chicago. Mr. Dickinson speaking:

"A tabulation by the writer of 1,381 selections in nine prediction columns showed that the reader who bet on these predictions lost at the rate of 7 cents on each $1 bet. Only 23 per cent of the 1,381 horses selected won their races. The best record of picking winners was that of Paul Hirtenstein of the Chicago Daily News, whose horses won in 31 per cent of the races. At the other extreme were Madam Queen's selections in the same newspaper, only 14 per cent of which were winners."

At that, the record will probably stand up well beside that of some of the tipsters on Canadian newspapers who fancy themselves as able to select speculations for the multitude.

* * *

"Take it away Halifax ....
"Take it away Montreal ....
"Take it away Toronto ....
"Take it away Winnipeg ....
"All right Regina ....
"Take it away Calgary ....
"Take it away Vancouver ....
"Take it away Toronto ...."

THUS were hundreds of thousands of Canadians carried some 8,000 miles last week on the magic carpet of radio, as they listened to the mammoth broadcast of the London Life Insurance Co., celebrating its diamond jubilee across a Canada-wide hook-up. Those who listened to it heard not only an excellent programme abounding in the best musical entertainment this country can offer, but they also heard one of the most ambitious programmes ever attempted in this country.

It embraced not only famed Edward Johnson singing from a concert hall in Toronto, but also groups of musicians and entertainers in six other key cities across the dominion, who were "cut in" to the programme during the hour and a half broadcast.

It was a fine show in every way and if a prize were to be offered for one of the most original bits of life insurance advertising attempted in Canada we would be inclined to say after the fashion of Announcer Rupert Lucas: "Take it London Life......"

Sayings of the Week

"No business can grow if the man at the head of it stops learning."—*Herbert N. Casson.*

"My impression is that the Washington administration has no objective at all."—*Sir Stafford Cripps.*

* * *

"National self-sufficiency does not make for prosperity."—*George E. Putnam, economist of Swift & Co.*

* * *

"Adolf Hitler is a ham actor who takes himself very seriously."—*Rev. James M. Gillis, editor of the Catholic World.*

* * *

"The lives of most of us are shamed by second rate performances."—*A. R. Coffin, publisher of the Truro Daily News.*

* * *

"The way to enjoy life is to look at life happily. Tackle your trials and troubles but laugh and have a good time."—*Charles M. Schwab.*

"I am one of those who believe that there will be no war in Europe, despite failure of the disarmament conference."—*David Lloyd George.*

"What remains undone to make war impossible? Nothing, let it be repeated again and again, save that governments shall keep their word."—*Dr. Nicholas Murray Butler.*

* * *

"Piecemeal and improvised action, dictated by successive emergencies and sectional pressure, does not give us a planned economy. It is the antithesis of it."—*Sir Arthur Salter.*

* * *

"There will be in Europe in the next fifteen years either a federation of Socialist republics or there will be no Europe at all."—*Pierre van Paassen, European scaremonger-journalist.*

* * *

"We do not need Fascism or Communism; what we do need above all is the maintenance of the British system of representative government."—*Rt. Hon. W. L. Mackenzie King.*

* * *

"There has not been an invention of any importance in the past ten years. Inventors of the world should be chided for not doing enough inventing instead of doing too much."—*Charles F. Kettering, research engineer of General Motors Corporation.*

* * *

"One striking evidence of mental disorder is found in the recent tendency, in many groups of both conservatives and radicals, to decry the use of brains in the solution of our political economic problems."—*Donald R. Richberg, general counsel of N.R.A.*

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By J. L. BURTON LEWIS

France Veers to Fascism

THE political position of Premier Gaston Doumergue is probably more precarious than that occupied by the governmental head of any other first grade power, yet the actual and psychological hazards he faces have not kept him from giving France an extremely positive order of leadership. He is skating on ice, so thin that it may not support him long but, in the meantime, he is providing a magnificent exhibition.

His performance has been so striking, in fact, that there is a temptation to accept the view that France, after much of trial and error, has found her long sought "savior." Such an inviting conclusion, of course, would be premature, but it is at least reasonable to hope that the "ice will hold" for a leader so agile that he has been able to forward a coherent programme in a land torn by factionalism; particularly since he did so while challenging the two largest bodies of organized opinion in the country.

In surprisingly few weeks, M. Doumergue has brought the budget to an approximation of balance. He has decreed an impressive reduction in the number of government employes and cuts in salaries. He appears to be succeeding in his plan to reduce pension payments to veterans. Railway economies of a sweeping character are near. Plans for revision of the taxation system of France are being studied. Judicial and administrative reforms are to be undertaken. While most of these moves are frankly deflationary, the Premier hopes to be able to accomplish a sufficient reduction in the cost of living to avoid any serious hardship for the people.

* * *

THE grave weakness in this programme lies in the fact that it has succeeded so far because of divisions in the opposition rather than on the strength of unified support behind it. The Royalists, Conservatives, Communists and Socialists are pulling in four different directions. Their tug-of-war, in which each has dissipated the strength of the other, has made it possible for the Premier to disregard factionalism temporarily. Perhaps he will be able to continue doing so, for no rapprochement between these tremendously divergent groups is likely. Even if such tactics succeed, however, popular opposition, led by persons affected by economies put into force, offers a severe threat both to the peace and order of France and continuance of the Doumergue Government.

In the period from March, 1933, to March, 1934, France was one of the few countries to record an increase in unemployment. The change would be negligible, since only about 5,000 persons were added to the total of jobless, but for the fact that France was slipping while all other first grade powers were moving in the opposite direction.

The seriousness of this situation will be increased by the reductions in government and railway employment that are being brought about. Government personnel is being reduced by 85,700 persons and it is expected railway jobs will be cut by 60,000. When these changes have been made the number of jobless in France will stand 40 per cent higher than in March, 1933, the month from which many countries date their start toward recovery.

* * *

FORMER Premiers Tardieu and Herriot have been named to study ways in which the cost of living can be reduced. It is evident that there is a large field for such an attempt, in view of the price-fixing practice in the country, and the many extravagant rates that have been set up under it. There is little chance, though, that sufficient cuts can be brought about to compensate for the large increase in unemployment and cuts in pensions and salaries.

Further, such reductions in living costs as are brought about must come largely through lowered prices for agricultural products. This will mean not only cutting below the arbitrary prices set by the government, which have not been obtained in any event, but also under the real price, which the farmers have been receiving. Under such a development the opposition to the governments would not only include the factions listed earlier, but the peasants, the ousted government and rail workers and the veterans and workers affected by cuts.

That list, unfortunately, includes a very high proportion of all the people of France. All the groups will certainly make demands upon the government. If any concessions are made—either to retain power in the Chamber of Deputies or to quiet unrest outside of it—the whole programme will be in danger.

These circumstances show that Premier Doumergue, despite his successes, is still on an extremely "hot spot," and that the crisis in France—the gravest in years—is by no means past.

* * *

ALTHOUGH the Premier has been most earnest in his declaration that he plans to govern within the limits of the constitution, without resorting to dictatorial methods, it is quite doubtful whether he will be able to do so. Two changes in the constitution have been proposed already, both representing moves in the direction of Fascism. Discontent, even though divided, is so extreme that the choice of the country seems between an absolute ruler, at least for a time, or absolute chaos. As this is written, there is a possibility a new "little revolution" will break before it can appear in print.

The obscurities which cloud the French situation are aptly illustrated by April issue of Current History, published by the New York Times. Although the magazine is far from being a journal of debate, it publishes two articles about developments in France since the Doumergue Ministry took office on February 9.

The one, by Prof. Gilbert Chinard, of Johns Hopkins, discounts the theory that there is any "attempt to overthrow the Republic." Professor Chinard is a frequent contributor.

The second article exhibits some prejudice, for it is by Roger Mennevée, editor, Les Documents Politiques, an ardent Leftist who is opposed to the present government. He declares:

"The formation of the Doumergue Ministry . . . is the most important event since the establishment of the Third Republic . . . It definitely marks the decline of the French parliamentary system and the beginning of a period of transition to Facism."

Prejudiced or otherwise, M. Mennevée's opinion seems to be supported by the present trend of events.

New Books

"Canadian Annual Review"

That 1933 was a year of momentous events in Canadian history was obvious to all of us as we lived through it. But the record of the year, as set down in black and white in the Canadian Annual Review, makes the significance of the year's events the more compelling of attention.

The 1933 edition of the Review is the thirty-second in this most valuable series of records of Canada's current history. It covers the period that embraced the Imperial Economic Conference, and the implementing of the agreements by legislation toward the end of 1932; the World Monetary and Economic Conference of last summer; and the establishment of the new system of co-ordinated competition on Canadian railways.

Fortunate is he who possesses a complete file of the successive volumes of the Canadian Annual Review for he has in such a five-foot shelf—it is almost that length now—an intimate record of public affairs in Canada from the beginning of the century to the present time.

The Review, founded by the late J. Castell Hopkins, is efficiently carried on by his widow, Mrs. Anne Hopkins, assisted by an able group of specialist editors who consider their work a labor of love and a genuine contribution to the history of our public affairs.

The 650 pages of well documented material are as usual adequately indexed as to personal names and subjects. The volume is printed and bound in the size and style that are familiar to the many who find that they cannot avoid constant reference to the series.

Published by the Canadian Review Co., Toronto, the 1933 volume sells at $8.

"The Economy of Abundance"

Stuart Chase is one of the most popular of American writers on economic subjects. It would not be right to speak of him as an economist.

In his various books, Chase overpowers his readers with a roaring torrent of facts and ideas. He is so busy presenting problems for us that he always forgets to outline his main theme. In "The Economy of Abundance," Mr. Chase's apparent desire is to demonstrate that as a result of scientific advance, technology, we have passed from an economic era of scarcity to an economic era of abundance, that this calls for an entirely new approach to social study. No one denies Stuart Chase's ability to gather up facts concerning the power age and the consequences of mechanization upon our social life. But the facts are thrown at us in hit or miss fashion and when the writer of the blurb on the cover of this book tells us that it draws on Mr. Chase's background of research to make a new synthesis, he is misleading us; synthesis is not the word to use. Catalysis would be better.

Mr. Chase's books always read like a batch of press clippings. But there is a bogey man in every clipping. Thus "The Economy of Abundance" is very much a combination of a dream book and a scrap book. The citation of inescapable facts and the use of an exceedingly vigorous style give an impression of authority. But so long as coherence and orderly treatment are lacking in Mr. Chase's works, there can never be any adequate leadership in them, except that provided by other interpreters who take his facts and draw the morals that he fails to draw simply and concisely.

"The Economy of Abundance" would not be a Stuart Chase book if it did not end up with a group of imperatives. There are 18 in this book, 18 things that Mr. Chase feels must be observed without compromise by any economic system, by any political party, which attempts to deal with the technical arts at their present development. Our plant must be operated at capacity. There must be unhampered flow of goods to consumer involving the right to a minimum standard of living regardless of the work performed, if there is no work available. Distribution must replace exchange. Waste, restriction and private monopoly as methods of maintaining prices must be eliminated. Natural resources must be conserved. Man hours must be steadily reduced. There must be no narrow economic nationalism. These are samples of the 18. They all lead up to the final imperative of state dictatorship of all industry leading up to international dictatorship.

No one can deny that "The Economy of Abundance" is interesting. But one may question if it is important.

It is published by the Macmillan Co. of Canada, Toronto, at $3.

Other People's Views

Our Air Policy

Winnipeg Tribune.—What is Canada's policy on the subject of aviation? Are aerial activities to be left to the military or is there a definite field wholly apart from military operations in which the Government should provide inspiration and encouragement to establish in Canada commercial air facilities equal to the growing demands the development of the country is making upon them?

For Rail Amalgamation

Sault Ste. Marie Star: If it is true that a union of the roads will save $75,000,000 a year, it seems reasonable to conclude that here is a basis for some sort of a fair arrangement between the roads that would offer hope of improved conditions. Is it not about time this feature was explored by disinterested men?

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1918	$448,335	$1,060,880	$1,959,793
1933	$5,434,715	$10,942,139	$17,495,466

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For over 100 years this company, and its predecessors, has perfected its organization, equipment and personnel to meet the exacting needs of Canadian Federal, Provincial, Municipal Governments, and of Canadian business, for every kind of monetary document.

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Business Conditions in Canada

The Week in Business

Are Wage Boosts Justified?

WHILE there have been numerous reports of wage increases being given in industry throughout Canada, many of which can undoubtedly be justified by increased volume and greater profits, there are some industries which have not as yet made any move and in which conditions do not justify an increase. One case, in which a deputation of employees, asking for return to the 1929 wage level, as had been done in a similar industry in the United States, was convinced that the time was not ripe for such a move, has come to the notice of The Financial Post.

It was explained to the men by the president of the concern that in his opinion the policy of wage raising adopted in the U. S. industry was not economically sound; that there was nothing in the present conditions of business or the equilibrium between prices to justify resumption of 1929 wage levels; that it was essential in Canada to keep down the price of finished products in order to allow the farmers to buy and protect Canada from foreign competition and that he was not prepared to consider an increase in wages.

He told them, however, that he wanted them to be convinced that his policy was the sound business policy and that his economics were right. If they thought that he was wrong and they were so certain that they would strike before continuing on the present wage level then he would be glad to compromise with them. He felt, however, if they understood the situation and were not misled by experimental reforms in the United States or by N.R.A. propaganda. they would agree in the long run that they stood to gain more from keeping Canada, as a country, and their own organization as a company, on a sound basis. The men agreed with him and dropped their demands for higher wages at the present time.

* * *

Steamers to South Africa

REGULAR fortnightly steamship service between Canada and South Africa is expected to begin in July, according to W. J. Kennedy, chairman of the South African British Manufacturers' Association, the Montreal Gazette states. This new service will mean an opportunity for South African orange growers to enter the Canadian market and will help South Africa to balance the adverse trade balance which now exists with Canada, according to Mr. Kennedy.

Imperial Conference agreements had resulted in opening the South African market to Canada and this had been taken advantage of by the latter country, Mr. Kennedy said. Greater reciprocity is needed however if the trade is to expand, he concluded.

* * *

Engines in the Rear Coming

FURTHER development of automobile streamlining will make engines in the rear necessary, proponents of the rear-engined car insist, although necessity is not considered the premier claim for development of this type of vehicle. It is pointed out that having the engine above the driving axle is the natural place for any power unit, thus placing the tractive weight where it belongs and eliminating the power-wasting drive shaft.

As far as the streamlined car is concerned, it is claimed by some experts that in its present form it is only efficient to speeds of 45 miles an hour and that streamlining for greater speeds will necessitate complete removal of the conventional front engine hood. Unless this is done, the necessary elongation of the rear of the car will make the overall length too long for utility. This elongated tail will provide ample space for an engine and cooling unit although impractical for seating purposes owing to lack of height.

Strawberry Imports Higher Only Fruit to Improve

Canadians of late have not been consuming so much imported fresh fruit with one notable exception. The importation of strawberries has increased in the past twelve months by about 600,000 pounds, but there have been large decreases in bananas, grape fruit, oranges and pears, The imports of dried fruits also have dropped off, especially raisins and currants. Dates have increased considerably and prunes a little.

The imports of canned peaches have declined considerably, but there has been a very large increase in canned pineapples, about six million pounds. Cocoanuts have also increased largely, while dessicated cocoanut has declined.

PACKERS OBTAIN OVER 63 PER CENT OF HOGS DIRECT

Proportions Smaller for Other Types of Livestock

One of the most contentious points raised at the livestock enquiry in connection with the Ottawa mass buying probe is the question of direct shipments of livestock to packers. Opponents of the packing interests claim that by obtaining a proportion of their supplies direct, packers are enabled to hold off buying at the public yards to the detriment of prices. In the case of hogs, direct shipments of which are considerably larger than other livestock, it is claimed that stockyards find it impossible to set any price, packers merely dictating what they will pay.

Packing interests, on the other hand, claim that they pay direct shippers as much as they can and still show a small profit on the transaction. Further, it is claimed that farmers are saved stockyard charges and commission agents' fees by dealing direct and therefore the system works to the advantage of the farmer.

Alberta's Problem Worst

While complete figures for direct shipments and stockyard shipments in Canada are not available, owing to the fact that all packers do not report their direct purchases to the Dominion Livestock branch, an approximate compilation was made by that body for 1933 and submitted to the Stevens Committee. As far as hogs are concerned, the figures are complete as all hogs graded at yards and packing houses are reported.

Broadly speaking, Alberta stockyards are shown to be in the worst position, handling only about 40 per cent of all livestock marketed in the province. Highest percentage of direct shipments, however, is in Ontario where 72.3 per cent of hogs marketed are shown as direct shipments to the packers. In Quebec, only 32.7 per cent of hogs went direct to packers. Percentages by provinces are shown in the following table:

Percentage of Animals Shipped Direct to Packers*

	Cattle	Calves	Hogs	Sheep
Alberta	30.7	61.1	66.6	56.9
Sask.	5.7	4.0	41.7	16.9
Man.	9.7	19.2	50.0	34.2
Ont.	12.4	19.5	72.3	23.5
Quebec	23.6	10.6	32.7	14.6

Two-Thirds Hogs Direct

Taking Canada as a whole, the compilation shows that over 63 per cent of all hogs went direct to packing houses. Thus, the stockyards had to maintain a price level handling only about 37 per cent of the total production. Shipments for all Canada in 1933 were:

Animals Shipped to Packers and Stockyards, 1933*

	Ship. to stock-yards	Direct to packers	Total	% Direct
Cattle	588,045	101,366	689,411	14.7
Calves	310,689	76,263	396,952	19.7
Hogs	1,171,967	2,017,585	3,189,552	63.3
Sheep	471,986	200,544	672,530	29.8

*Figures for cattle, calves and sheep direct to packers are below the actual totals of these shipments as all plants were not reporting their direct purchases to the Livestock branch in 1933. Figures for hogs are, of course, complete by reason of the fact that hog graders report all hogs graded at yards and plants.

Say Clothing Makers Are Scalping Materials

According to information published by Men's Wear Merchandising from authoritative sources, certain clothing manufacturers are creating considerable disturbance in the trade by scalping odd suit lengths and bolts of materials. Prior to the general price rise in woollens last year, clothing manufacturers generally purchased large quantities of materials in order to cover themselves. Some however, either anticipated a greater demand or saw an opportunity to make extra profits at the expense of other clothing firms and accordingly purchased more than their requirements. Representatives of Canadian textile mills state that certain manufacturers are now not only peddling pieces at a higher price than they paid for them but at a price slightly lower than the market thereby causing a decided unrest among purchasers of materials direct from the mills.

Although this practice of scalping materials is comparatively limited, it is said to be widespread enough to cause both English and Canadian mills considerable worry.

Thinks Controlled Activity Only Hope for Construction

W. D. Black Would Maintain Annual Level of Building Through Federal Board—Engineers, Economists to Discuss His Proposals at Toronto Meetings

Propounded not as an expedient panacea for the present woes of the building industry but rather as the only adequate means of releasing the dammed-up accumulation of sound building and of permanently preventing future disastrous accumulations, W. D. Black, vice-president and general manager of the Otis-Fensom Elevator Co., suggests federal control of building at an established level in keeping with the economic requirements and growth of the Dominion, in a recently published booklet entitled "Stabilization of Canadian Construction."

Briefly, Mr. Black's suggestions are as follows:

A permanent controlling building authority established by the Dominion Government;

Legislation to ensure an equitable proportion of national credit for the industry;

Determination by the controlling authority of the number of men who can be justifiably employed at the present level of building with power to ensure this number employment by control of working hours;

Authorization of the controlling body to resort to some form of contributory insurance;

Theories To Be Discussed

His theories and proposals will be the subject of discussion at two evening meetings to be held in Toronto on April 19 and 20. The meetings are sponsored by the Toronto branch of the Canadian Political Science Association, the Ontario Association of Architects, and local branches of eight engineering societies.

Historical Résumé

In his booklet, Mr. Black gives first a short résumé of past and present conditions in the building industry pointing to the fact that never at any time has the building industry enjoyed anything approaching an appreciable period of stable economic activity. This condition is often explained by the statement that, due to the unwieldy mass of the building industry, its momentum when once started uphill is sufficient to offset for a time an otherwise general downward tendency, the converse condition prevailing during decline. Mr. Black feels that this is not the true explanation, however.

The true and direct cause of the sporadic nature of building, he states, is to be found in the financial conditions under which the industry operates. Building in itself will not seek a "normal" level but rather will the periodic peaks and depressions become greater. Depression stagnation will continue until accumulation of a great quantity of building needs attracts the needed capital and then a swift rise to peak conditions will follow, in Mr. Black's opinion.

Shortage Already Growing

Referring to a recent monthly letter of the Royal Bank of Canada in which it is stated that a considerable shortage of building is already accumulating, the rate being placed at approximately $50 million a year, Mr. Black states that this may be taken by some as a note of optimism whereas analysis shows that it is one of grave warning.

Where is the money to come from to finance this growing shortage of building is the obvious question. Construction is dependent on external financing to a greater extent than any other major industry, Mr. Black states, the vast scale of modern work calling for immediate expenditure of greater monetary resources than are available within the industry. Control of conditions is, therefore, not vested in those who are directly affected by them, but rather in the hands of an outside, if essential, agent, it is argued.

Need For Capital

The channels through which capital is principally supplied to construction are the various banking, loan and investment institutions, it is pointed out. These concerns offer or withhold their funds as they deem expedient, and at the present time their investments in the building industry have been reduced to an absolute minimum, Mr. Black states.

On the other hand, the drying up of the vital financial stream at the present time is no more to be deplored than the deluge which is drawn into the building market even after the justifiable economic level has been long passed, in Mr. Black's opinion.

Suggests Corrective Measures

First problem to be tackled is the smoothing of the peaks and valleys shown in any long-term chart of building activity in Canada is to determine the level at which building would keep pace with the general economic development of the country, Mr. Black feels. To do this he suggests careful study of all relevant available statistics would be essential. Population, the development of specific regions, the growth of new industries, the anticipated obsolescence of buildings and the varying purchasing power of money are suggested as preliminary subjects for study.

For purposes of this statistical review, Mr. Black states that the industry should be divided into four primary divisions, viz.; commercial, residential, industrial and social service. The latter division would be understood to embrace all governmental, municipal, church or other building, whose cost is borne or contributed to by the community at large.

Plans Board of Control

Raising of building activity to the predetermined level is considered by Mr. Black as the second phase of the problem and the one to present the greatest difficulties. Its solution, he feels, would entail the creation of an attractive field for building investment. As the industry is powerless to do this, in Mr. Black's opinion, he suggests formation of a board or commission under the aegis of the Dominion Government, representative of government, financial, building and labor interests.

This board would co-ordinate and utilize the statistics previously compiled and control all permits to build, these being issued as found necessary to maintain the mean building line. Mr. Black feels that an industry so controlled would be assured of ample capital for its requirements. To speed up the return of capital, however, Mr. Black suggests that the board could use federal power to release the large investments which loan and mortgage companies have made in Dominion and provincial loans in recent years.

Asks Government Programme

To give the first impetus to building, Mr. Black thinks that a sound and limited government building programme is the most obvious solution. This would provide the controlling board with a starting lever, he states.

Having once brought building activity to the mean economic level, it would be the final and permanent function of the controlling board to maintain it there. To do this, Mr. Black suggests that the use of its prerogative of permission to build would be a strong factor in boom times and help build up a reserve, while, more specifically, the aggregate of Dominion, provincial and municipal building would provide the board with an extensive and easily controlled supply of building, to be injected when conditions were depressed.

The number of men who would be constantly employed in the building industry under such a system could be easily determined, Mr. Black states. Some system of control of working hours should be worked out so as to assure these men steady employment and if such is impossible some form of contributory insurance should be adopted, he states.

Some of the anticipated benefits from such a system of control are outlined by Mr. Black. Primarily, an immediate source of employment and elimination of intense periodic future unemployment would follow. The indicated mean economic level of approximately $225,000,000 would provide employment for 200,000 direct workers and 400,000 indirect workers, on the basis of 1929 figures, he states.

Executives of concerns producing materials for the building trade would be enabled to operate on stable and economic lines under such a system of building control, greater concentration could be given to export market possibilities with domestic output assured, while the stimulation given to finance and unrelated industries cannot be overlooked, in Mr. Black's opinion.

Canadian Business Indicators

Compiled by The Financial Post

*Denotes new figures this week.

	Weekly Latest 1934	1933	Cumulative Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Apr. 7)	*40,711	32,370	570,502	463,169
C.P.R. gross earn. (Apr. 7)	$ *2,175,000	$ 1,842,000	$ 29,662,000	$ 25,418,000
C.N.R. gross earn. Apr. 7)	$ *3,289,373	$ 2,533,080	$ 40,655,815	$ 33,111,107
Business Conditions—				
Weekly index D.B.S. (Apr. 7)	89.2	68.5	......	......
	Monthly			
C.P.R. net earn. (Feb.)	$ 818,520	$ 96,611	$ 1,707,509	$ 419,983
C.N.R. net earn. (Feb.)	$ ‡724,990	$ ‡1,860,512	$ ‡1,533,956	$ ‡3,767,936
Iron and Steel—				
Pig iron, tons (Feb.)	*12,199	6,144	42,376	35,353
Steel, tons (Feb.)	57,979	12,374	118,766	53,140
Auto. prod. No. (Feb.)	8,571	3,298	15,475	6,656
Auto Vehicles—				
Passenger, sales, No. (Feb.)	3,636	2,158	5,505	3,782
Trucks & buses, sales, No. (February)	594	242	834	429
Auto. exports, No. (Feb.)	*3,045	256	5,449	831
Construction—				
Building permits (Mar.)	$ *1,089,481	$ 934,555	$ 2,663,595	$ 3,016,339
Contracts (Mar.)	$ 7,517,500	$ 3,191,600	$ 19,855,500	$ 9,703,300
Newsprint—				
Production, tons (Feb.)	174,447	125,916	362,821	266,455
Exports, tons (Feb.)	131,219	107,446	319,739	235,225
Sugar—				
Imports, raw, lbs. (Feb.)	*19,922,700	11,998,200	30,674,500	20,620,100
Melt. & ship., lbs.*	*22,484,009	57,890,777	59,174,832	95,698,813
Manufactured, lbs.*	*21,360,155	55,482,178	63,862,260	103,082,420
Flour—				
Production, bbls. (Feb.)	1,102,043	844,899	2,144,548	1,704,006
Wheat flour exp., bbls. (March)	*493,327	490,270	1,270,201	1,220,688
Other Industrial Indices—				
Lumbering: Plank & Board Exports, mill. ft. (Feb.)	*104.95	37.71	198.93	76.88
Boots and shoes, pr. (Feb.)	1,324,048	1,200,276	2,354,715	2,122,174
Petroleum, imp., crude gal. (February)	44,369,000	37,555,919	101,971,586	72,640,869
Cotton, imp., raw, lbs. (Feb.)	*11,000,000	6,026,000	19,490,000	14,791,000
Rubber, raw, imp. lbs. (Feb.)	4,153,000	2,631,000	8,007,298	6,294,427
Coal imports, tons (Feb.)	431,994	455,272	974,545	941,478
Gasoline sales, gals. (Dec.)	*28,070,000	29,674,000	485,550,000	503,781,000
Trade—				
Imports (Feb.)	$ 33,591,884	$ 23,514,114	$ 65,983,308	$ 47,955,247
Exports (Feb.)	$ 37,842,403	$ 26,397,528	$ 84,494,420	$ 57,959,341
Wheat exports, bu. (Mar.)	*10,103,240	14,815,766	23,704,237	40,444,843
Labor—				
Employment Index (Mar.)	92.7	76.9	......	......
Electric Power—Output—				
M. Kilowatt hours (Feb.)	*1,612,680	1,299,580	3,341,241	2,696,241
Finance—				
Failures, No. (Dec.)	159	196	2,044	2,420
Failures, Liabilities (Dec.)	$ 2,344,772	$ 7,336,377	$ 32,953,858	$ 51,629,303
Bank debits (Feb.)†	$ *2,089,346	$ 1,830,277	$ 4,686,362	$ 3,799,153
Bond sales (Feb.)	$ 282,654	$ 209,000	$ 44,200,654	$ 20,401,610
Insurance sales (Feb.)	$ 29,493,000	$ 28,776,000	$ 57,418,000	$ 59,390,000
Automobile Financing—				
Used cars (February)	$ 508,423	$ 638,035	$ 958,549	$ 1,183,413
New cars (February)	$ 615,516	$ 532,639	$ 979,368	$ 988,914

*Four weeks period Mar. 3 to Mar. 24. †(000's omitted). ‡Deficit.

Sugar Trade Improved Both Imports, Exports Up

Export of refined sugar in February was 537,600 pounds compared with 189,500 a year ago. The chief purchaser was Newfoundland. During the first two months of 1934 the export was more than double that of last year.

Imports of refined sugar have also been increasing. The amount in February was 400,800 pounds, 222,600 coming from the United States and 178,100 from British East Africa. The two months import was 731,800 pounds valued at $22,703 compared with 312,100 at $13,697.

Business Briefs

Farm Labor Demand in Saskatchewan has been fair, wages ranging from $5 to $18 a month. Many of the farmers require help but have no cash to pay wages.

Failures under the Bankruptcy Act in the week ended April 7 numbered 17 as compared with 30 in the corresponding week of 1933. Failures to date total 309 as against 555 in 1933, a decrease of 44 per cent.

Car Loadings in the week ended April 7 numbered 40,711, an increase of 2,199 over the previous week and 8,341 cars ahead of the corresponding week of 1933. The adjusted index number declined slightly from 71.67 to 71.13. A year ago it stood at 56.55.

HALIFAX HARBOUR TRAFFIC SETS MARK

Cargo Tonnage Handled in March Well Ahead of 1933

From Our Own Correspondent

MONTREAL. — Halifax Harbor Commission reports that in March 457 vessels, with a net registered tonnage of 1,304,992, entered the port of Halifax. This compares with 398 vessels, of a net registered tonnage of 1,084,551, during the same month last year.

Since the beginning of the year the total number of vessels arriving and departing at the port is reported at 1,261 compared with 1,189 for the same period in 1933 and 1,198 for the first three months of 1932.

With a total of 288,709 tons of cargo handled inward and outward through the port during the past month, a further all-time record for any one month was established. Previous all-time monthly record was established in December, 1933, with a total of 214,444 tons. The record established in March, 1934, is 35 per cent greater than for any previous month on record.

Since the beginning of 1934, the total cargo tonnage handled inward and outward amounted to 671,936 tons. This compares with 425,654 tons for the first quarter of 1933, or an increase of 60 per cent.

LIVESTOCK PLAN OF HIRE-PURCHASE PROVING SUCCESS

Dom. Agricultural Credit Co. Reports 94 Sheep Flocks Out

From Our Own Correspondent

REGINA.—The Dominion Agricultural Credit Company, Ltd., at Dec. 31, 1933, had 94 flocks of sheep totalling 174 rams and 8,535 ewes with farmers on a share basis and there is every indication that this year another 4,000 will be added.

The company is pushing the sheep industry as rapidly as it can, principally in Southern and Central Saskatchewan areas which are described as being excellent sheep districts. The movement is catching more rapidly now that farmers have practical examples of what can be done. Operations are being confined to grain farmers in an effort to get more diversification. So far the company reports success. In remarkably few cases have failures been registered, according to H. O. Powell, the manager.

Loan Flocks to Farmers

Sheep flocks ranging from 25 head to 200 are given farmers who are most likely to be successful, on a five-year share contract basis. The farmer looks after them under supervision and he receives one-half of the proceeds of lamb sales, sales of wool and also one-half share in natural increase.

Due to natural conditions favoring livestock operations more applications and more cattle sales have been effected in Alberta. In older Manitoba districts where feed and water conditions are favorable, farmers are now well-stocked with cattle and sheep.

Farmers Get $6,166

The company's statement at the end of 1933 shows that on lamb sales it received $3,708 and wool sales $2,458 and also an increase in stock valued at $1,206, half the value of the lambs retained in flocks. This means the farmer who cared for the sheep obtained in actual cash $6,166 which they would not have received if they had relied on grain only. They will also get a half-share of any proceeds from the increase of the flocks.

It is usual that where one flock has been placed, requests soon come from other farmers in the same district. As the result of this grouping the company is able to keep down its supervision expenses. Just as soon as conditions permit a rapid extension in areas so far untapped will be made. Supervision rests mainly on new flocks as those farmers who have carried their flocks through a first year are able to carry on with a minimum of supervision.

Banks Approve

Maintenance of flocks costs the farmers very little as they consume large amounts of unsaleable roughage and unmarketable grain and the object of getting the farmer to help himself is therefore complete. Banks and loan companies heartily favor the company's operations as the farmer who adds livestock is finding he can finance himself more readily than when relying on grain only. Revenue derived is a benefit to the country and this revenue will be increased as the result of added fertility to the soil.

Thousands of booklets and pamphlets are circulated by the company dealing with sheep from the lambing period through the life of the sheep and even including training of dogs for herding. A booklet on feeding cracked wheat has saved thousands of dollars to farmers who did not know how to feed their wheat to stock. Another booklet on the preparing and feeding of Russian thistle has become a byword not only in Canada but in United States.

Other interests of the company are beef cattle, dairy cattle, feeding of cattle and hogs.

Installments Well Paid

In connection with payments by farmers the company in its report states 28 per cent of 1933 installments due were paid at Jan. 1, 1934; 56 per cent received extensions until spring to feed out increase of cows; six per cent had no apparent means of making immediate payments, largely due to crop failure; four per cent were making small payments as funds became available; four per cent asked time to finish hogs; one per cent a straight time extension and the remaining one per cent provided a good guarantor.

Use High Grade Stock

Although the company is showing deficits for its first two years, administrative expenses will increase very slightly in proportion to the financial return from a greater number of herds.

Only high-grade sheep and cattle are being placed by the company. As a result a premium is being paid by packers to get fat lambs from the company's stock in the fall months. Higher wool prices enabled a greater return this year. This the company regards as proving the success of the venture.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Ontario Clays, Ltd., is investigating the possibilities of a site near Sault Ste. Marie, Ont., for a fire brick and china clay factory, according to the Sault Ste. Marie Star. It stated that directors of the company are favorably impressed with the location and only await settlement of a few points with the city before commencing establishment of a plant.

British American Oil Co. has recently established two new plants in western Canada, one at Moose Jaw, Sask., and one at Coutts, Alta.

Commodity Prices

TWO important price movements featured commodity markets during the past week. First, on Monday, Winnipeg wheat withstood a heavy barrage of selling following a 5 cent drop at Chicago to close less than one cent lower. Strong export demand was responsible for strength at Winnipeg, the government agency appearing to be the seller.

Secondly, announcement from Washington late last week that nothing could be done at the present time to boost silver prices accounted for a decline in that commodity that carried a number of others with it. Stock prices also slumped following the break in wheat and the news regarding silver.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$650	$6.50	$5.10
Copper, lb.	.08⅛	.08¼	.05⅝
Cotton, lb.	.1210	.1225	.0685
Rubber, lb.	.1213	.1145	.0370
Sugar, raw, lb.	.0270	.0283	.0305
Silk, lb.	1.32½	1.37½	1.25
Wheat (Man.) bu.	.65⅝	.66	.62¼
Hides, lb.	.11	.10½	.05½
Coffee, lb.	.10⅛	.10⅝	.07⅝

Weekly Indices

N. Y. Annalist	108.9	108.7	83.3
Fishers'	73.4	73.5	†63.6
N. Y. Journal of Comm.	74.0	73.8	54.8
Crumps (Brit.)	64.9	64.6	†62.4
U. S. Labor	73.3	73.4	60.1

†Average, 1933.

Monthly Indices

Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
W'sale (Mar.)	72.0	72.1	64.4
Retail (Mar.)	80.2	79.1	77.8
U. S. Labor (Feb.)	74.0	72.2	59.8
Gt. Brit. (Feb.)	71.1	70.7	66.8

Note: Indices all on base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar — 96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio, No. 7, spot, New York.

Early Spring in Okanagan Troubling Fruit Growers

Early budding of fruit trees in the Okanagan valley is causing concern to growers in that area as night frosts are still common. Spring this year created a record in earliness, soft fruit trees being in bloom in southern sections of the valley before the end of March.

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MANUFACTURERS' AGENT IN WINNIPEG seeks further lines for Manitoba or for three Western Provinces. Correspondence with Eastern manufacturers invited. Will handle on consignment or commission basis. Highest financial standing. Apply Box 274, The Financial Post, 481 University Ave., Toronto.

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AN OLD ESTABLISHED INTERNATIONAL publishing house, whose name is a household word, requires the services of representatives capable of meeting and interviewing business executives, all over the Dominion. A proved record of successful salesmanship and a desire for a permanent and remunerative connection are essential. Promotion to Managerial position assured to right type of man, who must have energy, ambition, and initiative and have earned upwards of $5,000 per year. Remuneration which is liberal, is based on results. Apply in the first instance by letter, giving two references and full particulars of previous experience to Box 268, The Financial Post, 481 University Ave., Toronto.

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Meetings Reported

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to ensure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 187.

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Friday, the first day of June next, to shareholders of record at the close of business on the 30th day of April, 1934.

By order of the Board.

M. W. WILSON,
General Manager.

Montreal, Que., April 13, 1934.

Quebec Power Company

Notice is hereby given that a dividend of Twenty-five (25c.) cents per share has been declared on the no par value common shares of the Company for the quarter ended March 31st, payable May 15th, to shareholders of record April 25th, 1934.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, April 16, 1934.

The Bank of Toronto

Dividend No. 211

Notice is hereby given that a Dividend of Two and One-half per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of June next, to shareholders of record on May fifteenth, 1934.

By Order of the Board.

H. B. HENWOOD,
General Manager.

NOTICE

Montreal Tramways Company

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of Montreal Tramways Company, will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, at 12 o'clock noon, on Monday, the 12th March, 1934. This meeting will be held for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said Meeting.

The meeting will be convened as called, and immediately adjourned until Thursday, the 26th April, 1934, at the same time and place.

The shareholders are hereby and will further be requested at the said Meeting to ratify amendments to the Company's By-laws heretofore enacted by the Directors, as follows:

1. That Section 4 of Article III of the Company's By-laws be repealed and re-enacted to read as follows:
   4. The Directors at their first meeting after their election shall elect from among their number a President and a Vice-President. They may also elect one or more other Vice-Presidents who need not be members of the Board.
2. That Section 6 of Article III of the Company's By-law be amended by adding after the word "Vice-President" in the fourth line, the words "who is a member of the Board."
3. That Section 2 of Article VI of the Company's By-laws be amended by adding after the word "Vice-President" in the first line, the words "who is a member of the Board," and by substituting the word "such" for the word "the" before the word "Vice-President" in the fifth line.
4. That Section 3 of Article VI of the Company's By-laws be amended by deleting the words "The Board of Directors may appoint one of its members to be the Managing Director of the Company and he" and substituting therefor the following "Any Vice-President elected by the Directors."
5. That Section 4 of Article VI be amended by inserting the word "General" before the word "Manager" in the first line.
6. That Section 5 of Article VI be amended by deleting the words "Vice-President, Managing Director" in the sixth and seventh lines, and substituting therefor the following: "any Vice-President."

The Transfer Books will be closed from the 21st February, 1934, to the 12th March, 1934, both days inclusive.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer

Monday, January 22nd, 1934.

Apple Exports Higher by 102%

Exports of Canadian apples to the United Kingdom markets for the present season to date are 2,267,382 barrels and 1,926,059 boxes or an increase of 102 per cent, and 10 per cent, respectively as compared to the previous season's shipments to the corresponding date of 1,121,636 barrels and 1,753,935 boxes.

Roosevelt Puts Damper On Senate Silver Bill

Measure Is Another Silver Bounty Disguised as Farm Relief; Claims Debunked

By DR. GAINES T. CARTINHOUR
School of Commerce, Accounts and Finance, New York University

NEW YORK.—The movement for the remonetization of silver has now taken definite form in the United States. Canada is, of course, interested in silver developments because she is one of the great silver producing nations of the world. An omnibus bill providing for the nationalization of domestic monetary silver has been unanimously reported to the U. S. Senate by the Senate Committee on Agriculture. But Mr. Roosevelt has indicated that he wants no more silver legislation at present, although he has agreed to talk it over with the silverites.

Senators representing the silver producing States have combined with Senators from the farm States in an attempt to override the wishes of the Administration with respect to further silver legislation during the present session of Congress. They are dissatisfied with the results of the Administration's gold policy and believe silver should be given a try. This independence has already been indicated in the redrafting of the stock market bill and opposition to other policies of the Administration. The movement for cheap money measures in Congress is now assuming serious proportions. President Roosevelt seems to have gone as far as he cares to in the direction of inflation but the currency expansionists are far from satisfied.

The new silver bill has been built around the Dies bill, recently passed by the House of Representatives by an overwhelming vote, and intended to encourage the buying of U. S. farm products by foreign countries (which would pay in silver by giving them a 25 per cent premium over the market value of the silver. Increasing agitation for the remonetization of silver is due to a large extent to political factors which are expected to receive a great deal of attention during the November elections.

Buy in World Markets

Not only would the new Senate bill nationalize domestic silver but also require the Secretary of the Treasury to enter the world market after January 1, 1935, and buy silver with silver certificates at not less than 50,000,000 ounces monthly at a premium above the world price. The Treasury would fix the daily price. To prevent undue inflation, it is proposed that the purchases stop when commodity prices in the United States reach 1926 price levels, or silver reaches a price of $1.29 an ounce, thereby placing it on a parity with gold. Furthermore, on the day preceding the issuance of a proclamation nationalizing silver, the Secretary of the Treasury would be directed to take over all domestic stocks of silver at the world price, making payment with silver certificates. This step would be quite similar to the nationalization of gold in the U. S.

The Senate Committee also recommends that an import-export bank be used as the agency to seek foreign markets for surplus products of agriculture, and accept for such products silver at the world price, plus a premium. A limitation would be fixed, however, so that the price of silver would never exceed $1.29, including the premium. The bank would deposit the silver with the Treasury and the latter would issue silver certificates against it at $1.29 per ounce. Until the world price of silver reached $1, according to a report, there would be a profit as seignorage to the U. S. Treasury equal to the difference between the world price and the $1.29 price at which the certificate would be issued.

The measure is designed to accomplish the following purposes, according to its sponsors: (1) enable the U. S. to dispose of all agricultural surpluses and to encourage farm prices and prices generally; (2) increase the price of silver and thereby open up the markets of silver using countries to American exportable products and goods; (3) put into the hands of producers an adequate amount of new money which cannot be withdrawn from circulation by the arbitrary action of some board or bank; and (4) retain the market of the world for American agricultural surplus products and increase employment by making profitable production of exportable crops in the United States.

London Agreement

The period for ratification of the London silver agreement expired about three weeks ago and it is reported that Treasury spokesmen for President Roosevelt have given as one of the reasons for opposing silver discussions, the desire to give this agreement every chance to operate as an international force before the U. S. acted individually to rehabilitate the white metal. Canada ratified the agreement the latter part of March, joining hands with the U. S., Mexico, India, China and Peru to keep a certain amount of silver off the market in an effort to maintain the price at a reasonable minimum.

The cotton trade is reported to be especially interested in the proposed legislation, believing that its enactment would benefit cotton more than any other agricultural product. The surplus of cotton is proportionately greater than that of any other agricultural commodity and there happens to be a considerable demand for this product in countries with large quantities of silver. For example, if cotton was selling for 7 cents a pound, according to the proposed bill, the price could be reduced to around 5 cents on the basis of the old gold parity.

The metal taken in payment must be "foreign" silver but the bill does not limit it to foreign silver produced. Silver now held in the United States and shipped to another country would become "foreign." In this way, because of the mandatory allowance and the permissible premium, silver could go from the United States to other countries and then back again at an enhanced figure.

Another Silver Bounty

The measure is another silver bounty but is disguised to look like farm relief. It is also a dumping measure because it sanctions the sale of American farm products abroad at a lower cost than they are sold at home. Foreign nations will not be entirely passive to this type of dumping and reprisals of a serious nature may be made in some cases. Furthermore, the silver industry in the U. S. is not as important as its proponents indicate. Actually, the importance of silver is confined largely to the political importance of the industry in the U. S. Senate.

It is also alleged that the remonetization of silver would improve trade with China and the Far East. Actually, for China a rising value of silver means currency deflation. Any increase in silver prices would be inimical to China's interests. She does not buy goods with silver but with tea and rice and is a silver importing nation. The lower the price of silver, the greater the advantage in trade China has. To raise the price of silver in that country would lower commodity prices.

There is no need for more currency for circulation in the U. S. at the present time. As a matter of fact, the new silver certificates will tend to push Federal Reserve notes out of circulation, and increase member bank reserves, already excessive, by a corresponding amount. Furthermore, the enactment of the measure would place the U. S. in the position of setting out to triple the world price of a metal whose production can be increased enormously.

The bill would also disturb the usual channels of exporting American agricultural products. Foreign buyers would naturally like to get the discount, which would be available if they paid in silver, and it is probable that exports which might be stimulated by the provisions of the measure would simply replace ordinary commercial shipments, instead of actually increasing the sales of farm products abroad.

Enactment of the bill would advance the world price of the white metal and would aid those who hold silver stocks abroad, such as the Government of British India. Of the countries producing silver, Mexico—not Canada or the U. S.—would probably secure the largest benefits from higher silver prices. For decades Mexico has been the largest producer of silver and has consistently exported its metal in settlement of international trade balances.

NOTICE

To Canadian Policyholders of the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A.

On June 1, 1933, the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A., reinsured, with the Indemnity Insurance Company of North America, Philadelphia, Pennsylvania, U. S. A., all of its unexpired policies, outstanding obligations and liabilities. On June 16, 1934, application will be made to the Minister of Finance for the release of its securities deposited and now held by the Receiver General and any Canadian Policyholders opposing such release should file their opposition with the Minister of Finance on or before that date.

ALLIANCE CASUALTY COMPANY,

FRANK A. EGER,
Secretary.

INTER CITY BAKING REVENUE ADVANCE DURING PAST YEAR

Lake of Woods Subsidiary Further Strengthens Finances

From Our Own Correspondent

MONTREAL.—Despite the continuance of intense competition, Inter City Baking Co., subsidiary of Lake of the Woods Milling Co., was able to report net earnings of $216,473 in the fiscal year ended January 31, 1934. This compares with $210,330 in the preceding twelve months period.

The income account, a copy of which follows, shows that after providing for the usual depreciation of $100,000 and bond interest, there remained a surplus of $32,523, or approximately $8,000 more than in the 1933 fiscal year.

	1933-34 $	1932-33 $	1931-32 $
†Net earn. ..	216,473	210,330	331,643
Bond int. ...	83,950	85,736	87,133
Balance	132,523	124,594	244,510
Deprec.	100,000	100,000	100,000
Net profit ..	32,523	24,594	144,510
Com. divid. ..	......	......	85,180
Surplus	32,523	24,594	59,330
Prev. surp....	105,259	125,213	122,429
Balance	137,782	149,807	181,759
*Written off	......	44,547	56,546
P. & L. bal...	137,782	105,260	125,213

†After all expenses for the year, provision for doubtful accounts and income tax
*Investments to present market value.

Working Capital Position

	1934 $	1933 $	1932 $
Curr. assets .	366,970	287,977	348,018
Curr. liabs...	160,686	171,500	226,877
Work. capital	206,284	116,477	121,141

Reduce Bonded Debt

At the end of last January, Inter City Baking Co.'s balance sheet showed assets totalling $3,926,468. This compares with $3,935,375 in the 1933 report.

Cash on hand at $103,384 is more than doubled. Investments in other companies have declined about $6,500 to $40,101, but miscellaneous investments have increased from $17,025 to $64,955.

Wheat

From Our Grain Correspondent

Chicago Price Break

WINNIPEG. — The break in prices at Chicago seems to have been related to the Rome conference. Suggestions as to denaturing wheat for feeding purposes caused some weakness in coarse grains, particularly corn, some of which has been selling for export, exercising some sympathetic effect on wheat. Much more important was the apparent belief on the part of the administration that United States and world prices would have to approach parity. In addition a growing belief in the United States that a surplus of wheat over domestic requirements may be produced this year is causing doubt as to how much longer United States wheat prices can be maintained at high premium levels over the rest of the world. European markets are watching the situation closely, realizing that any sinking of United States prices to levels competitive with Canada would make a great change in the situation.

* * *

Argentina Quota Problem

ARGENTINA'S relation to the wheat quota assigned her under the London wheat agreement is still obscure, and whether that country will limit her export shipments as will have to happen both if the quota for the current crop year is not to be exceeded. If it is respected, Canadian shipments will probably increase in the near future, which will be required to ensure Canada exporting her full quota of 200,000,000 bushels this year.

* * *

Garnet's Position

DISCUSSIONS have begun at Winnipeg as to the basis on which Garnet wheat is to be made deliverable on futures contracts, when the new legislation enforcing separate grades for Garnet wheat becomes effective. But it is now assumed that the new grading will hardly be proclaimed effective this year, as new complications would be introduced into the Rome proposals governing fixed spreads between different kinds of wheat.

* * *

Wheat Seeding Starts

ALTHOUGH delayed until recently by cold weather, wheat seeding is now in progress over a considerable area. In spite of dust storms which have disturbed the surface soil in southern Saskatchewan, the moisture condition is declared to be reasonably satisfactory and better than last year. All reports agree that there will be a substantial reduction from the acreage seeded last year to wheat, with less than corresponding increase in area seeded to coarse grains.

Farmers are trying to get seed in as early as possible, in the hope that early grain may better escape the ravages of grasshoppers, seeding may be discontinued earlier than usual because late sown grain is found most susceptible to grasshopper damage. Shortage of seed on many farms, and inability to get as large supplies of seed as desired from government relief agencies will have an effect on acreage.

* * *

New Garnet Grade

AFTER four years of agitation, the scientific branches of the Federal service, in co-operation with the grain trade, have persuaded the government to grade Garnet wheat separately. Under the amendment to the Canada Grain Act now before the Commons, Garnet wheat will not be allowed into the standard grades, Manitoba number one hard; and numbers one, two and three northern. The highest quality of Garnet wheat will be graded separately into two standard grades, and will be sold for export on this basis.

For several years research experts and the trade have contended that Garnet wheat, while a useful variety, is distinctly different in milling qualities from Marquis or Reward and that its inclusion in the top standard grades was a serious annoyance to European millers. These millers, it is said, desire Garnet but want to buy and mill it separately. The change is expected to check any lowering of quality in Canada's wheat which may have occurred since Garnet was first released to prairie farmers about 10 years ago.

Alberta's Sheep Increase

The sheep and lamb population of Alberta in December last was 772,600, as compared with 664,300 in June and 748,000 in December 1932.

Grain and Milling in Canada

HOPPER CAMPAIGN READY TO BEGIN WHEN PESTS HATCH

Three Western Provinces Have Plans Made on Wide Scale

From Our Own Correspondent

WINNIPEG.—Preparations made to meet the grasshopper plague in Western Canada this year put all previous efforts definitely in the shade. Never before in the history of this Western country have such elaborate advance plans been made to combat this pest of the growing crops. "Forewarned" should be "fore armed." This is truly the case for each of the three prairie provinces, while co-operating to a degree, have made every bit of information, that would be useful, available to every farmer within the infested territory.

Throughout the winter lecturers have been travelling about from municipality to municipality, bobbing up at this meeting and that; bulletins have been printed by the thousand and distributed to every farmstead likely to have grasshopper trouble; large size posters with big red letters across the top shouting "Save Your Crops" are posted in every public place in the whole infested territory; and the agricultural and daily press have added their assistance by reprinting "grasshopper" maps and control measures advocated.

Poison Bait Accumulated

Hundreds of tons of bran and sawdust, and thousands of gallons of sodium arsenite have been accumulated throughout the winter months by the various provincial governments and stored at strategic points. Even freight cars have been released by the railway concerned, to serve as warehouses for stocks until such time as the bait will be needed. In Saskatchewan where the largest area of crop land is threatened 1,200 local committees of farmers have been formed and approximately 1,200 cars of sawdust, 900 cars of bran, and 180,000 gallons of sodium arsenite placed at the disposal of the committee. It is estimated that $750,000 will be spent by the three prairie governments this year to finance the various campaigns.

The area infested is astoundingly large. It reaches from Winnipeg to the Rocky Mountains with a few intermissions which ranch land intervenes and is bounded on the north very closely by the fringe of the park belt. In acres some 34,000,000 of crop land are affected. By provinces, Manitoba contains some 5,000,000, Saskatchewan 19,000,000 and Alberta about 10,000,000 acres with a greater or less degree of infestation — mostly more, as 24,000,000 acres are declared seriously infested. In view of its magnitude the task is admittedly a most difficult one.

Two Control Methods

Two main methods of control have been consistently advocated—cultural and by poison bait. The former, while not new, has been worked out very scientifically and the latter the most modern and quickest in effect, has been greatly improved in recent years. Farmers are advised to sow grain only on summer fallow or plowing that is well turned so as to bury the eggs five inches deep or more.

Posters Explain Uses

The use of poison bait is not by any means left to chance and the farmer's knowledge of its use. He is advised to follow the rules laid down or waste and lack of "kill" will result. They are told in large red letters on the posters that grasshoppers feed most greedily on calm sunny days when the temperature rises to 68 degrees in the shade, and that they quit feeding when the temperature rises above 90 degrees in the shade; that grasshoppers do not feed readily when it is cold, very windy, hot, or cloudy. Also farmers are to remember that bait broadcast by hand (covered with grease) or with a lath as thinly as possible, right among the hoppers, making 100 lbs. do from five to ten acres (not more than 20 lbs. to an acre) is the best method to follow.

In six weeks or two months the big "battle" will be on. The stage is all set. Experience has shown that no dependence can be placed on the spring weather to control a severe outbreak of grasshoppers. Wet weather will promote crop growth, lessen hopper damage, and thereby make the crop more worthwhile saving. A wet summer in the opinion of the experts will not save this year's crop. It looks as if Western Canada will look back on 1934 as "the year of the big grasshopper outbreak."

Minimum Wheat Price By No Means Assured

Rome Conference Takes Only Preliminary Step of Appointing a Committee to Work Out Scheme—Control Would Require Gigantic World Pool

From Our Own Correspondent

WINNIPEG.—Although the wheat conference at Rome seems to have adopted a scheme for establishing a minimum wheat price, close reading of the dispatches indicates that they have merely recommended the appointment of a committee which is to try to work out such a scheme along indicated lines. Not until the new scheme is actually produced will different countries involved be in a position to extend or refuse concurrence. The fact that the new scheme would supersede and to a considerable extent be contradictory to the provisions of the London agreement constitutes an evident difficulty in securing concurrence.

It is contemplated that an administrative committee should be set up in London with power to set the minimum price at which each country would be allowed to sell wheat for export. In addition the committee would have to specify month by month, or quarter by quarter, the exact quantities which might be exported from each country, correcting any deficiency or excess by altering the respective minimum prices for wheat from each country.

Freeze At Present Level

The suggestion apparently is that the present price relationship between Canadian No. 2 northern as a base shall be "frozen," but with minimum prices in sterling put at about 10 per cent higher than the present level. Canadian wheat is now at a fairly substantial premium over Argentine wheat, and continuing the present relationship might result in disproportionately large quantities of Argentine wheat being sold, so that Canada might have to wait for correction for several months, when the Argentine would be forced to advance its minimum price to a point that would tend to inhibit sales being made.

There is a maze of technical difficulties to be ironed out, and whether these have yet been dealt with, or are to be turned over to the new sub-committee for study, is not yet clear. But the primary difficulty to be cleared up would be establishing the quantities of wheat that each country would be allowed to export.

New Quotas Would Fluctuate

The London agreement did fix maximum quantities for Canada, Australia, the United States and the Argentine for the crop year 1934-35, with Russia left as an uncertain quantity, while the Argentine already wants a larger quota. The new quotas would have to be subject to change according to changing conditions, and to be regarded as minimum instead of maximum quotas, for upon their filling would depend the fluctuations in fixed minimum prices.

Then the question arises whether the various countries concerned can be induced to give the central committee the great degree of power which would be necessary to enforce this scheme, and to commit themselves in advance to adjusting their quotas and their minimum prices as the committee not only might, but would have to order. It is not yet clear that the scheme can function short of making the committee a world wheat pool, to take absolute control of exports from each participating country and with each participating government taking complete control of marketing within its own borders.

Effects Uncertain

The effects upon the commercial marketing structure of the world, both for wheat and flour, are uncertain, and whether ordinary marketing machinery can function under such control as is proposed. The effects on international flour trade are obscure, and the British milling industry can be expected to find in it a new argument for placing a tariff against Dominion flour.

Reaction of millers to the type of regulation proposed will be a matter of importance, and so too will that of certain importing countries, such as Brazil, which imports considerably more wheat than any continental country included in the conference. There is no information available to indicate whether or not it is proposed to bring under restraint subsidized exports from such countries as France, Italy and Germany, which are normally exporters of wheat.

Consideration of the plan in any detail will apparently have to be delayed until the sub-committee which is to meet at London has wrestled with its various phases, and has made definite proposals.

LAW MAKES PLEA TO EXCLUDE WHEAT FROM MARKET ACT

Thinks N. M. P. A. Would Divert Attention from Primary Problem

From Our Own Correspondent

WINNIPEG. — Grain should be excluded from the provisions of the Natural Products Marketing Act, now before the House of Commons. Such is the opinion of the board of directors of United Grain Growers, Ltd., as announced today in a statement issued by its president, R. S. Law.

"Our board," said Mr. Law, "prepared a statement containing this opinion, intended to be submitted to the agricultural committee of the House of Commons, should the bill be referred there, giving an opportunity for public representations.

Emergency Legislation Differs

"This Marketing Act should not be confused with the special powers to deal with an emergency situation concerning wheat, which are available to the Dominion Government under the Relief Act. We think it altogether proper that the Dominion Government should be in a position to meet such emergencies as may arise.

"Because of the great importance of grain, not only to Western Canada, but to the whole commerce of the country, it seems to us dangerous to include it either under the same legislation or under the same administration as applied to the marketing of other natural products. Any further regulations in connection with grain should be built upon the solid foundation already established by the Canada Grain Act, to the development of which there has gone the best thought of producers, producers' organizations, of numerous commissions, of parliamentary committees and of parliament itself. Its present provisions, as well as its administration by a Board of Grain Commissioners giving their exclusive attention to grain problems are recognized as being of the greatest importance to Western farmers.

Importance of Wheat

"Wheat is of transcendent importance to Western Canada, and it has made up a third of the total export trade of Canada in recent years. On that account it is urged that momentous decisions concerning wheat, such for example as the question as to whether Western farmers should be subject to a licensing system, and whether fundamental alterations in the marketing system are required, should continue in the future as in the past, to be made by parliament itself, after parliament and producers have been made aware of exactly what is taking place and the probable consequences to be expected. We hope that responsibility for making such decisions will not be handed over to the proposed marketing board.

"If wheat is not directly excluded from the act it would appear possible for some scheme to be brought forward under its provisions and submitted to the marketing board for approval which would require all producers permanently to market their grain through a common channel.

Would Divert Attention

"But perhaps the most important reason for excluding wheat from the operation of the proposed act is the diversion of attention that would inevitably take place from the real wheat problem affecting Canada, which is not at all that of marketing machinery. It is a problem of markets, and markets which lie overseas, far out of the possibility of control by any machinery to be created in Canada.

"To the improvement and development of those markets, and not to a struggle for control of the internal marketing machinery of Canada, primary attention should be given."

Key Facts About Wheat

Canadian Wheat in Store:			
Fort William, April 13	73,034,332	72,458,904	73,399,866
Country elevators, April 6	103,972,500	104,165,674	107,484,671
Total, all points, April 6	222,690,028	224,023,605	225,557,553
World Shipments, incl. flour, weeks ended:			
North American	3,328,000	3,542,000	2,608,000
Argentine, April 12	4,041,000	2,412,000	2,790,000
Black Sea*, April 12	496,000	656,000	96,000
Australian, April	1,415,000	1,323,000	2,709,000
World Wheat on Passage	......	......	......
Visible Stocks:			
Canadian, April 12	109,079,000	109,195,000	109,534,000
United States, April 12	88,859,000	91,050,000	130,132,000
Argentine, April 12	19,840,000	19,340,000	12,859,000
Australian, April 12	91,000,000	92,480,000	70,248,000
Canadian Marketing and Exports:†			
Canadian exports (April 6)	1,969,149	1,414,596	2,099,052
Cumulative to April 6 (36 weeks)	110,538,617	108,569,468	168,247,764
Prairie Marketings, D.B.S. (March 30)	1,999,270	1,981,647	4,104,597
Cumulative to March 30 (35 weeks)	188,483,304	186,484,034	319,592,370
Country deliveries, April 13‡	1,934,000	1,797,000	2,371,006
Country loadings, April 13‡	3,500,332	2,161,440	3,075,540

* Includes South Russia. † Excluding flour. ‡ Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to April 17, 1934

Crop year from Aug. 1, 1933 High	Low		Open Apr. 11	High for week	Low for week	Close Apr. 17
		Wheat				
.95	.59¼	May	.67¾	.68	.64¼	.65⅜
.71½	.62¼	July	.68¾	.68¾	.65⅛	.66½
.71⅛	.70¼	Oct.	.70⅝	.70½	.66⅞	.66⅝
		Oats				
.48½	.29½	May	.34½	.34¾	.30	.31½
.38⅝	.30⅝	July	.35	.35	.30⅝	.32¼
.36¼	.32⅝	Oct.	.35⅝	.35⅝	.32⅝	.33¼
		Barley				
.59¾	.32½	May	.39½	.39⅝	.33⅝	.35⅜
.44⅝	.35	July	.40½	.40½	.35	.36½
.48⅛	.38⅛	Oct.	.42	.42	.38⅞	.38¼
		Flax				
1.71½	1.15	May	1.55¾	1.56	1.45¼	1.47¾
1.58	1.39½	July	1.55	1.55¾	1.45	1.47¾
1.55	1.40	Oct.	1.53¾	1.54¼	1.40	1.44
		Rye				
.68½	.39⅛	May	.48	.48⅝	.41½	.42¼
.53¼	.42½	July	.49¼	.49⅝	.42½	.43⅜
.52⅛	.45	Oct.	.51⅛	.51¼	.45	.45⅝

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Your Investments

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Markets Should be Aided Rather Than Hampered

Germany's Efforts to Stop Speculation in Securities and Commodities Proved Disastrous and Ineffective—Should Facilitate Honest Use

When over-production, and unwise extension of credit because of over-optimism in a time of very active business, bring about lower prices and a slowing up throughout the whole business and industrial structure, there has always been a resulting clamor for reform of stock markets and commodity exchanges and an overhauling of the financial machinery of individual countries. Some reform may often be called for in such cases but the political pressure on legislators has nearly always led to legislation so extreme that it reacted back as a boomerang on those it was supposed to benefit.

It is a fact that much of the legislation now proposed by the United States Congress in considering the Stock Exchange Regulation Bill and the Securities Act, has been tried out in other countries, notably in Germany which took a pride in the years before the war in trying to lead the world in progressive legislation with regard to business.

Reform by Enactments

While in England legislators were inclined to take the view that institutions which had grown up through generations or centuries had valuable elements of strength and that practices born of accumulated experience were not to be lightly set aside, the Germans and later the Americans have had an almost pathetic belief in the power of legislation to work wonders. Back of it all after a time of speculative losses is the suspicion of the general public, in some cases well-founded, that the drop in prices of stocks and commodities is the result of an organized system of "come-on" propaganda and subsequent trimming. Losers want revenge on the "sharpers" and are apt in their minds to include everybody in the business. It is easy to start the ball rolling for a financial pogrom and difficult to stop it no matter how ill-advised it might be.

Method of Lord Fisher

Reform should be progressive, intelligent and instituted in co-operation with the best elements in every business or industry affected if it is to be effective. Lord Fisher, who revolutionized the British navy in the early years of the 20th Century, used to say that one of his ruling principles was to find out grievances of the marines and sailors and gunners and everybody else on board navy ships before these found it out for themselves and to remedy them. He got lots of opposition from old line admirals, who were tough old sea-dogs and did not believe in coddling, but he persevered with results that now are history. His brain sizzled with new ideas and he made naval construction, gunnery and fueling keep pace with the times.

Much the same problem is before governments in dealing with exchanges: to make exchanges more effective as markets for honest traders rather than to hamper and hinder and tie them up by regulations intended to discourage the speculator and the crook and not caring how much other business is discouraged at the same time.

Be Ahead of Times

Stock exchanges and commodity exchanges are very important aids to business under present conditions. They can be of much greater benefit if officials keep exerting more and more influence toward making all operations above-board and making available more and more authoritative information as to facts governing any security or commodity. They should be ahead of the public and of Governments in instituting reforms and the brightest spot in the present situation is that there seems to be a widespread realization of this truth among men in responsible positions on stock exchanges of Canada. It is to be hoped that reform in Canada continues at its present tempo without the necessity of the whole brokerage community being obliged to get out to fight for their very existence as has occurred in Washington.

Germany Tried It Already

The German experience is neatly and succinctly summarized in a bulletin by Goodbody & Co. of New York City as follows:

"Followed by a period of sharp speculative declines, culminating in a grain panic on the Berlin Boerse in 1891, failure of several banks, and the general effects of a broad depression, the Reichstag was petitioned to curb exchange practices. An 'Exchange Enquiry Commission' was set up to report on the situation. This commission, which first convened in 1892, worked on the problem for 19 months, during which period exhaustive hearings were conducted.

"The report was an admirable piece of work, temperate in tone, attempting to iron out some obvious abuses without stripping the gears of the exchange mechanism. But the legislation following this report was shaped more for the political demands of powerful agrarian groups, who cast the stigma for falling prices induced by a world over-supply of commodities upon the exchanges.

From Bad to Worse

"The German Exchange Act of 1896 eliminated credit dealings in grain and flour, and in some classes of stock, and provided that 'speculators' must enter their signatures in a register whenever they engaged in 'speculative transactions.' All these devices had as their objective the restriction of speculation, with the hope that 'speculative evils' could thereby be avoided. There was no such result, however. The bill had limited its provisions to exchanges. Brokers thereupon left the Boerse and set up a new market, which they claimed was not actually an exchange. When the government ruled that this was in effect an exchange, the brokers then took to separate offices, where trading continued in futures without the facilities of a common meeting place.

"So disorganized and chaotic did conditions become, with the investing public subject to even greater danger because of the unsettlement and lack of effective regulation, that trading was eventually resumed at the Berlin Boerse with quite open disregard of the Exchange Act. The government had become so chastened by the developments from 1896 to 1900 that it winked at the patent evasions.

Price System Disorganized

"The price system in Germany was disorganized. Since future markets were banned, the farmer lacked a reliable quotation for his grain. Government bureaus were established to determine prices for the farmer, but the quotations were on a cash basis, and so failed to reflect future conditions affecting the market.

"Contemporary writings reveal that activity on the exchange dwindled, while at the same time much business went to Paris and Amsterdam.

"If we were to sum up the results of the German experiment in a few words, we would put it as follows:

Fostered Roundabout Speculation

"1. The Act did not stop speculation, but fostered a roundabout speculation which was far more dangerous than the original broad and well-organized market.

"2. Commodity and stock prices sagged, and volume of activity dwindled.

"3. Just as in the case of the recent 19th Amendment to the U. S. Constitution, this law encouraged a variety of evasions and corruptions which were too numerous to control.

"4. The industrial expansion of the country was probably set back several years, and even the government eventually found difficulty in marketing its obligations."

Canadian Governments are much more worried at present over grain markets than stock exchanges and particularly because Government intervention in a time of large surpluses is greatly resented by foreign markets. They will always buy elsewhere by preference when they see evidence of a system which may interfere with the free operation of supply and demand on price. That is true as well of stock exchanges, and in both cases it is worth while to study the German experience.

Enquiries

Abitibi Power

I have been thinking for a long time that Abitibi Power and Paper Co. preferred and common stock would be a good buy and before purchasing it I would like to have your advice as to whether you think that now would be the time to buy Abitibi stock; and, if this is the proper time, which stock would you advise purchasing?

When buying this stock I would buy it preparing to hold it for one to two years.

It is impossible to tell at the present stage what the experience of Abitibi Power and Paper Co., or other paper companies will be for the next two or three years. It is understood that Abitibi Power and Paper and some other companies in Canada have been having a somewhat increased volume recently, but it would have to be a very greatly increased volume and prices for newsprint would have to be higher to give preferred and common stock real value under present conditions.

The company is operating under a receiver and trustee in bankruptcy and it is not likely to get free from this condition until some final arrangement is made of the very large commitments made by the company in connection with its expansion programme before it went into bankruptcy. The protective committee for the bondholders is expected to make its report very soon and it would be well to wait until that report comes, along with an annual report from the receiver, before making a decision for a speculation in these stocks. It is understood that the report may show some improvement especially in getting rid of unprofitable units and of unremunerative contracts to take power for plants that are now closed down.

Can. I. Alcohol

Will you please give your opinion of Canadian Industrial Alcohol which I hold?

Stated briefly, Canadian Industrial Alcohol has made arrangements with National Distillers, one of the most powerful distillery concerns in the United States, to market practically its whole inventory of American type alcohol, about 7,000,000 gallons. Actual price net to Canadian Industrial Alcohol for its American type Bourbon and rye whiskies has not yet been stated but it is on a fixed basis which should prove favorable to shareholders. The company will be able to clear off its debts and should, according to all informed estimates, be able to return a substantial sum to shareholders.

The company's current assets were mainly inventory and the situation arising in the United States through the ending of prohibition has suddenly transferred its position from one of extreme financial weakness to one of great potential strength. It is, of course, a temporary situation and the inventory will have to be liquidated while there is still a shortage of properly matured liquor in the United States. But those inventories have proved to be worth more than cash would have been.

Pete. and B. A. Oil

I am a western farmer and I would like you to tell me if International Petroleum and B. A. Oil stocks are strong enough to hold or should I sell?

International Petroleum does not publish its financial statement. Its production has kept up very well during the depression but the prices received for crude petroleum must have gone down drastically in the last couple of years. At an investigation held in Washington at one time it was stated that International Petroleum based its prices for crude petroleum on posted mid-continent prices in the United States. During 1933 at one time these prices went as low as 10c. and although the general price was around 25c. to 35c. this could not have been a very good situation for International Petroleum. Since then in the United States under the National Recovery Act prices have gone up to $1.10 a barrel, but the exact permanent effect of this on world prices has not yet been made apparent. In any case the price situation must have been stronger in the last half of the year for International Petroleum. It has paid $1 a share throughout the depression and although it is not known whether these have been earned in each year or whether they have been obtained from accumulated earnings of previous years the stronger situation is hopeful. It is a powerful company, well-managed and with strong affiliations.

British American Oil was able to increase its earnings in 1933. It is paying 85c. a share and last year earned over $1 a share. The company may have had losses in the first half of 1933 on its crude oil activities in Oklahoma and East Texas because of the entire demoralization of prices but it is understood that under the N. R. A. its sales later were at higher prices though the drastic restrictions on output would prevent it getting full benefit. The company has good management and during 1933 it was able to reduce bank loans materially. The company had received authorization to issue debentures and it is understood that if market conditions had been favorable it might have issued the debentures and paid off the bank loans. As things are there is some possibility that it may not have need to sell the debentures for this purpose. If actual earnings reduce liabilities that will be a very strong point.

Great Lakes Paper

I hold a six per cent bond of Great Lakes Paper Co., and would like to know what the prospects are for resumption of interest on it.

Great Lakes Paper Company is in receivership. Reorganization plans are being seriously considered by the bondholders' committee, and may soon be announced, it is understood. There appears to be no possibility of interest payments until reorganization plans have gone further.

From July 1, 1931, to June 30, 1933, or two years, gross profit was $316,224, plus exchange and interest of $377,415; costs were $383,222 leaving $310,417 available for depreciation and bond interest. In the five months to November 30, 1933, gross profit was $73,948. These earnings would not appear sufficient to allow very material payments on the bonds, even if reorganization were not being considered. The properties are being well maintained, the receiver reports, $186,833 having been spent on capital account.

The company is a low cost producer. Conditions in the industry are expected to improve on account of the N.R.A. in the United States, and within the company because of direct marketing under its own contracts. Working capital has been increased and earnings have been sufficient to do this. However, the rise of the Canadian dollar to par in the United States is believed to have deprived the company of exchange premium on sales in that country where most of its product is marketed. Being a low-cost proposition, the company should get the benefit of any revival in the industry.

Imperial Radiator

We would be glad of any information you could furnish about Imperial Radiator Co. six per cent bonds, due 1937. Are the bonds of any value?

Imperial Radiator Co. 6 per cent mortgage bonds, due 1937, are apparently of no value. This company was the offspring of another firm originally called Steel & Radiation Ltd., which was placed in the hands of the receiver many years ago. The outcome of this was a reorganization, and the holders of Steel & Radiation first mortgage bonds, in satisfaction of their claims, accepted and received Imperial Radiator's 6 per cent second mortgage bonds, due 1937, bankers taking first mortgage bonds for their claims.

After a few years of operation under the name of Imperial Radiator Co., the organization again went into receivership, and proceeds of the sale of the property were less than sufficient to satisfy the first mortgage bonds, all of which were held by bankers. Therefore, there was nothing left to take care of the second mortgage bonds which you apparently hold.

The company is now known as Imperial Iron Corp. We understand that this company is operating in a small way at the present time, but that there is no value to attach to the bonds to which you refer.

Chartered Equities

I enclose a prospectus of Chartered Equities Ltd. and accompanying letter received by me. What is your opinion of this investment?

This company, I am informed, has been incorporated by various bond men or bond houses in Calgary and they are the directors of the company. You will see that under the heading of "Supervision" the company has entered into an agreement with Securities Statistics Ltd., to furnish statistical information and advice to the company and to supervise its investments. We are informed that the directors of Securities Ltd. are the same persons as those who are the directors of Chartered Equities. For this information Securities Statistics, Ltd., receive 15 per cent of the profits.

You will also observe that the circular does not give the names of the directors, nor the name of the auditor of the company. I am informed that this company has adopted the lines of another company, which was incorporated in the east, and that the prospectus is practically word for word of the prospectus of that company, Canadian Investment Fund.

Do you think this is a company that one can invest freely in, and can you tell me how it arrives at $2.50 as the selling price of the shares when the nominal value would appear to be $1? The difference of $1.50 is to be allocated to surplus.

The prospectus of Chartered Equities Ltd., which you have forwarded to us is obviously based on the prospectus issued by Canadian Investment Fund, Ltd., which was formed late in 1932. With certain notable exceptions, the contents of the Chartered Equities prospectus follows that of Canadian Investment Fund, using in large part the same phraseology.

The prospectus of Canadian Investment Fund contains the names of the directors which include Sir Robt. Borden, Hon. L. A. Taschereau, Sir Chas. Gordon, Hon. Chas. A. Dunning, Hon. C. C. Ballantyne, Calvin Bullock, Norman Dawes and Arthur B. Purvis. It clearly states that Calvin Bullock has been retained to supervise the company's investment at a fee of 7½ per cent per annum of the net profits of the company and that in addition the directors of the company other than Calvin Bullock will receive 7½ per cent of the net profits of the company. The prospectus of Chartered Equities does not state the officers of the company but provides that 15 per cent of the net profits of the company will be paid to Securities Statistics for its supervision of the company's investments. We believe that the officers of the company should be stated as well as their connection, if any, with Securities Statistics which will control its investments policies. If the names are not given, how can one decide intelligently on the probable quality of management and executive direction?

The securities listed in the prospectus of Chartered Equities as proposed initial holdings are largely the same as those securities held by Canadian Investment Fund, at January 2, 1934. It is obvious that the successful operation of the trust will depend largely upon its management and that while a prospectus may be duplicated with little trouble it is not possible to duplicate management. That is why the prospectus should be more explicit as to management. The success of the investment trust depends not only upon its buying policy but on its selling policy.

Since Chartered Equities shares have a par value of $1 at which they would be carried in the balance sheet, there is no reason why the premiums received on sale of these shares at $2.50 should not be shown as capital surplus. If the trust prospers and as additional shares are sold probably the price would be raised to approximately the liquidating value of the shares and any premium received over the $1 par value would be credited to capital surplus. This arrangement is almost essential unless the price of the shares were to remain fixed and offers the further advantage that there is a substantial margin between par value of shares and the total value of investments so that in the event of serious depreciation in investment account liquidating value of the shares would not immediately drop under par value. If this were to occur and capital were impaired the company could not pay dividends without changing the par value of the shares even though the income of the trust was sufficient to continue payment of dividends.

One point to be considered before undertaking the purchase of shares of Chartered Equities is the extent to which the shares will be marketable in the future. This will depend in part upon the ability of the selling organization to sell a sufficient number of shares so that there is a fairly wide public interest. We understand that it is the intention of the sponsoring group to confine sales activities to Alberta.

Can. Financial Founders

We have an enquiry for some information on Canadian Financial Founders. Can you tell us something about this? Is it a safe investment? If a holder wishes to discontinue payments after a few years, can he get out anything near the amount paid in?

Canadian Financial Founders Limited, issues certificates with or without life insurance protection in denominations of $1,200 and multiples thereof up to $9,600. A contract is made with the investor whereby the latter agrees to pay for a $1,200 certificate at the rate of $10 per month for ten years. During that time, the investor is insured to the extent of the amount remaining unpaid on the contract with the Montreal Life Insurance Company. After all charges have been deducted from the monthly installment, the balance is invested in Diversified Trustee Shares, Series "D," which represents a fractional interest in a fixed list of shares of United States corporations. These trust shares are deposited with the Prudential Trust Montreal, in its capacity as trustee, and are held for the benefit of the certificate holders until the certificate matures or payments are discontinued. In the event that the investor died before termination of the contract, the insurance collected on the unpaid balance owing by him to Canadian Financial Founders, Ltd., would be used for the purchase of Diversified Trustee Shares. At maturity of the contract, the investor may take delivery of the Diversified Trustee Shares purchased for his account. The number of such shares that the investor would receive and their market value at that time cannot possibly be determined in advance.

The costs of the plan are heavy particularly in the first few years since it is during that period that insurance premiums are highest and salesmen's commissions, etc., are deducted. Since Diversified Trustee Shares, Series "D," are sponsored by quite another company, there are various duplications of charges such as for trustees fees, management, selling, etc. The investor who sought to withdraw from his contract after making periodic payments for only two or three years or even longer would not find his investment a profitable one unless the value of Diversified Trustee Shares, Series "D" had enhanced materially over the levels at which they were purchased. Most of the money actually invested in Diversified Trustee Shares would appear to be placed in the latter years of the contract period and therefore the investor should carefully consider his ability to continue periodic payments through the greater part of the contract period.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

City vs. Country

NO FOOL was the gentleman, claiming to be from around Uxbridge, Ont., who recently mulcted a downtown Toronto restaurant of $9 and two businessmen of $5 each.

Blatantly arrayed in his best clothes, and obviously the well-established farmer, he entered the restaurant when most of the tables were full with an after-the-theatre crowd. Shyly, he slipped into an empty chair, at a table occupied by two businessmen.

Artfully, the out-of-towner started conversation, frankly admitted he wasn't used to eating at a "cayfe" at that time of night, but figured a snack at night was mighty appealing.

By natural channels, the conversation turned on the relative problems of city and country men. The businessmen expressed the opinion it was the necessity for continually keeping the brain alert, whipping fagged minds into action, that took it out of the city worker. On the farm it was just a matter of fagged muscles which a good night's sleep would clear up.

The farmer disagreed. All this talk of the slow-witted farmer was so much applejack. He figured that it was just because the farmer's brain was not over-taxed that kept it clear and alert. Long and interesting was the debate; country vs. city brains.

Finally the farmer indicated the girl cashier, busily ringing up change. There, he said, was a girl trained in the wiles of sharpsters. She, surely, typified the city brain. Yet he was willing to bet $5 with one or both of the gentlemen that, farmer or no, he could give the girl a one dollar bill, and get her to give him change for a $10 bill.

Interested, incredulous, the city men agreed, placed their $10 on the table, with the farmer's wager. Carefully they examined the $1 bill he was about to present. It was genuine. With this the farmer bought a package of cigarettes from the girl. When he got his change, he protested. He had given her a $10 bill and she had given him change for only $1. Where was the manager? But the girl was no fool. She knew she had only received a $1 bill. The manager hushed the apparently excited farmer. Persuasively, he told him they would count their cash that night, and if they were over, they would be only too glad to give the farmer back his change. Until then, he was sorry, but they could do nothing.

The farmer agreed this was fair enough. The businessmen, delighted, started to reach for their wager, but were premature. The country gentleman had returned to the manager. He had just remembered, he said, that that very morning, he had been 'phoning a friend, who gave him the telephone number of a girl in Toronto. Having no notepaper in his pocket, he had scribbled the number on the back of the $10 bill. Would they just look through their drawer, and if there was a $10 bill with a telephone number on it, he thought it was a Lakeside number—it would prove his case. The manager agreed, the cashier looked, the bill was found. The manager apologized, gave the protesting cashier a "look" and returned the right change. The farmer returned to the table, collected the bets, and in due course left the restaurant.

Sadly puzzled, the businessmen did not realize until much later, that their friend had a confederate who had bought a package of cigarettes at the restaurant with a $10 bill that afternoon.

5% DEBENTURES
A Legal Investment for Trust Funds
SAFETY-SECURITY
THIS COMPANY DOES NOT TAKE DEPOSITS, an added element of security for our Debenture Holders.
The Real Estate Loan Co. of Canada Ltd.
Incorporated 1879
521 Confederation Life Bldg.
TORONTO CANADA
EL. 0530

Direct Contact with Three Markets
Montreal - Toronto - New York
With our enlarged private wire system and quotation tickers, we are fully equipped to render rapid service in the execution of mining business.
JONES HEWARD & CO.
Members:
Montreal Stock Exchange - Montreal Curb Market
MONTREAL OFFICE
249 St. James Street West
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WAverly 2345*
10

CANADIAN SECURITIES
Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing
DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

3½% ON DEPOSITS
Interest at the rate of 3½% per annum compounded half-yearly makes your savings grow surprisingly fast. Your savings with the Canada Permanent earn this rate with safety.
Founded 1855
CANADA PERMANENT Mortgage Corporation
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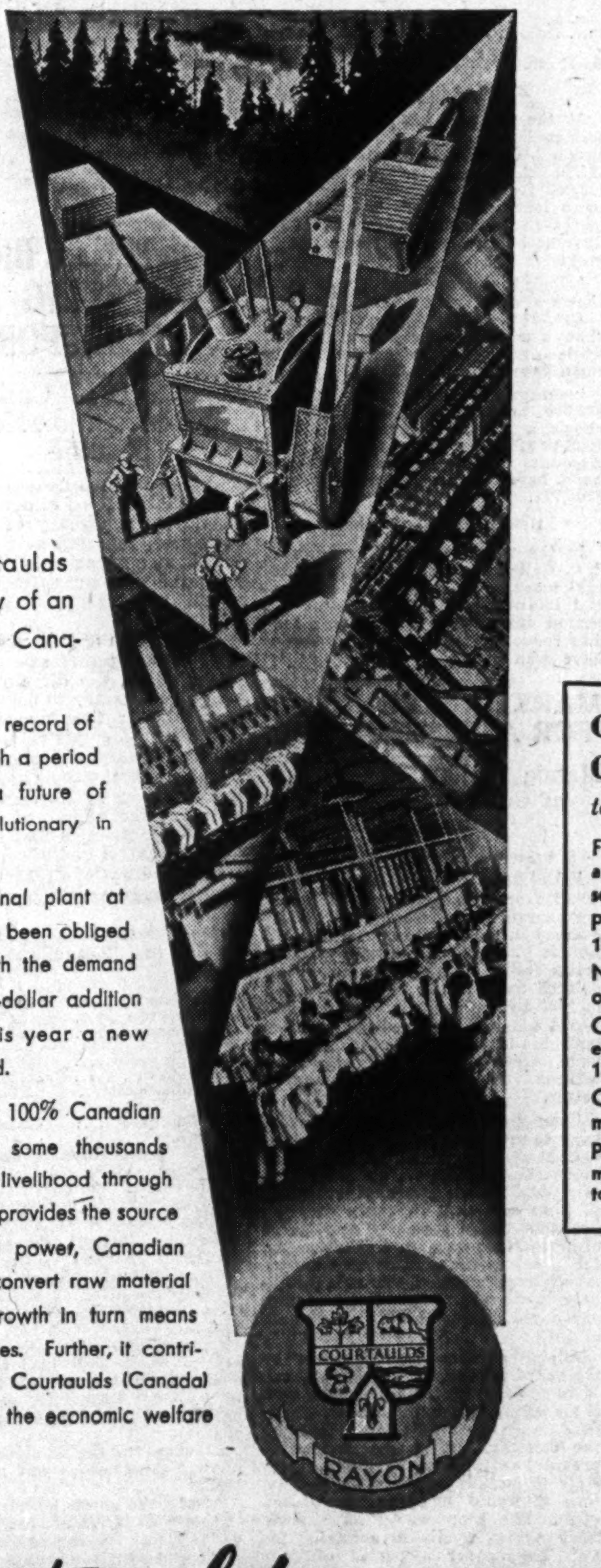
ASSETS EXCEED $70,000,000

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
63 Years in Business
Capital $2,000,000—Reserve Fund $3,200,000
Make Mortgage Loans on Owners' Homes at reasonable rates of interest.
ARCHIBALD McPHERSON, President T. H. MAIN, Manager

RAYON . . . CANADA'S GIANT NEW INDUSTRY



THE story of Courtaulds (Canada) Limited is the story of an outstanding contribution to Canadian commercial life.

Rayon as an industry stands on a record of almost phenomenal growth through a period of economic strife, and faces a future of untold possibilities almost revolutionary in their effect.

Since the erection of our original plant at Cornwall, Ontario, we have twice been obliged to add new units to keep up with the demand for our yarns. In 1930, a million-dollar addition was constructed. Spring of this year a new $2,500,000 addition will be opened.

Courtaulds (Canada) Limited is a 100% Canadian industry. Directly and indirectly some thousands of Canadian workers gain their livelihood through this enterprise. Canadian lumber provides the source for Courtaulds yarns. Canadian power, Canadian machinery, Canadian chemicals convert raw material into finished yarn. Courtaulds growth in turn means growth to other Canadian industries. Further, it contributes to increased employment. Courtaulds (Canada) Limited is definitely identified with the economic welfare of Canada.

COURTAULDS CONTRIBUTION
to Canadian Industry
Floor area of Courtaulds plant approximately 650,000 square feet, including new unit.
Paid in salaries and wages in 1933—$1,500,000.
Number of employees prior to operation of new unit 1450.
Over $100,000 was paid for electric power used during 1933.
Over 9000 individual electric motors now being utilized.
Purchases of Canadian raw materials in 1933 amounted to $850,000.

Courtaulds (CANADA) LIMITED
Plant and Head Office: CORNWALL, ONT. Sales Offices: Reford Building, TORONTO. Trade Service Offices: University Tower, MONTREAL

ALUMINIUM LTD. REVENUES GAIN PAST 12 MONTHS

Loss Converted Into Profit by Exchange and Bond Deals

BUY IN PREFERRED

Aluminium Sold in 1933 About 3,000 Tons Less — Plants Operate at Half Capacity

From Our Own Correspondent

MONTREAL. — Betterment in earnings and financial position of Aluminium Ltd. during 1933 compared with 1932 is attributed to several factors. The volume of business handled by the company tended to show an improvement in the latter part of the year. Reduced manufacturing and overhead costs, together with better prices resulting from appreciation in the value of foreign currency, were other factors contributing to the improvement.

Total income last year was $2,770,504 compared with $1,897,728 in 1932 and $1,831,173 in 1931. After providing for debenture interest, depreciation and other reserves, the company had a net loss of $433,902, as against $1,016,027 in the previous year. Through a profit on exchange transactions and the purchase of debentures at a discount, this book loss was converted into a profit of $130,806 compared with a deficit of $930,134.

Preferred in Arrears

Following is the comparative consolidated income and surplus account figures for the past three years. It will be noted that no dividends were paid in 1933 on the preferred stock, arrears of which now amount to $9.75 a share.

	1933 $	1932 $	1931 $
Total Inc. ..	2,770,504	1,897,728	1,831,173
Debt. int. ..	1,522,648	1,445,079	1,200,033
Net earn. ...	1,247,856	452,649	631,140
Deprec. res. .	1,594,758	1,468,676	1,465,972
Balance	*346,902	*1,016,027	*834,832
Reserves ...	†87,000	......	‡34,043
Net loss	433,902	1,016,027	868,875
Exch. adj. ..	*361,319	§205,705	§188,575
Balance	*72,583	*1,221,732	*1,057,450
Adjust.	......	......	84,518
Balance	*72,583	*1,221,732	*972,932
■Cap. profit .	203,389	291,598	......
Balance	130,806	*930,134	*972,932
Pfd. divids...	......	227,500	780,000
Balance	130,806	*1,157,634	*1,752,932
Exch. res. ..	......	......	240,000
Surplus	130,806	*1,157,634	*1,992,932
Prev. surp..	*107,714	1,110,027	3,102,959
Total	23,092	*47,607	1,110,027
Pr yr. adj...	150,000	60,108	......
P. & L. bal.	173,092	*107,715	1,110,027

■From purchase and retirement of preferred stock and bonds. *Deficit. †For bad debts. ‡For taxes. §Loss. *Profit.

Working Capital Position

	1933 $	1932 $	1931 $
Curr. assets	18,627,181	17,086,273	16,013,193
Curr. liabs.	8,185,633	6,949,742	5,415,501
Work. cap..	10,441,548	10,136,531	10,597,692

Reduce Issued Bonds

Aluminium's consolidated balance sheet at the end of last year showed assets totalling $69,298,082. This compares with $68,267,426 in 1932. The company's own funded debt was reduced during the year from $18,884,000 to $18,463,000, while bonds of subsidiary companies outstanding in the hands of the public declined from $2,198,150 to $2,123,495. Notes payable remained unchanged at $1,500,000, though it is noted in the balance sheet that the first payment on this account takes place in 1934.

The amount of the company's preferred stock outstanding has been reduced from 127,656 shares to 126,726 shares. There is a slight increase in the issued common stock, the amount outstanding at the end of 1933 being 592,877 shares, compared with 592,699 shares at the close of the previous year.

It is noted that a minority interest of $1,000 in Sprostans appearing in the 1932 account, has been eliminated. An exchange reserve of $166,842, also shown in the 1932 statement, has been absorbed into other accounts.

There are no major changes among the current liabilities, the aggregate being a little more than $1,000,000 greater than reported in 1932.

Property Account Lower

Among the assets, property account is shown as having a value of $33,260,489. This compares with $34,610,006 in 1932.

Investments in partially-owned subsidiaries have increased from $10,377,027 to $10,453,458. Advances to partially-owned subsidiaries show an increase of approximately $500,000 to $4,200,868.

Prepaid expenses and deferred charges increased during the year from $2,397,173 to $2,593,319.

Delivery orders for Aluminum, a new account, is shown at $584,596. Indemnity deposit increased about $25,000 to $141,071.

Cash Position Stronger

The principal change among the current assets was an increase of over $600,000 to $1,542,337 in cash. Accounts receivable have advanced nearly $800,000 to $4,244,482, while inventories have declined from $11,335,017 to $10,784,893.

Only Part of Profits

In his reports to the shareholders, Edward K. Davis, president, had the following to say in part:

"The 1933 net income of $130,805 (contrasted with a net loss in the previous year of $930,134) does not take into account our share of the additions in 1933 to the undistributed surplus of companies in which we have less than 100 per cent of the capital. Our share of the undistributed surplus of such companies since their acquisition (at various dates on and after 4th June 1928) according to preliminary reports thus far received, amounts, as of the end of 1933, to approximately $1,380,000.

"The amount of aluminium produced in 1933 by the companies whose accounts are included in the foregoing financial statements was approximately the same as in the previous year. The amount sold, consisting of what was produced plus relatively small amounts purchased, was less by about three thousand tons than in 1932. Plants engaged in the production of aluminium were operating during the year at about 50 per cent of normal capacity."

Record Lumber Exports

Exports of lumber from British Columbia for January set a new all time record for this month when 83½ million board feet were shipped to foreign ports. Principal shipments were: United Kingdom 42½ million; China 16¼ million; Australia 10 million; Egypt 4-1/3 million; Africa 4-1/5 million feet.

B. A. Oil Expands Two Plants in West

British American Oil Company, which has increased its stake in Western Canada with the development of two refineries for the West—one at Moose Jaw, Saskatchewan and the other at Coutts, Alberta—announces that it is enlarging the capacity of these two refineries and making them modern in every respect. The Moose Jaw Board of Trade estimates that half a million dollars will be spent on the refinery at Moose Jaw and though this estimate probably exceeds considerably the actual amount to be spent at the present time, the resulting refinery will establish British American Oil very strongly.

The company announces that it will crown this western development with the introduction of a new gasoline made specially for the West.

ROBT. MITCHELL REDUCED LOSSES OVER LAST YEAR

Management Hold Out Better Prospect for Current Period

From Our Own Correspondent

MONTREAL. — Very little improvement in sales was apparent during the year, but by making further drastic economies Robert Mitchell Co. was able to reduce its consolidated operating and inventory loss to $147,239 compared with $296,099 in the previous twelve months.

That the past year was a difficult one for the company is apparent from the fact that income account showed a deficit of $147,304 without any provision for depreciation. This was appreciably less than in the previous year. The net working capital position of the company shows a further decline, amounting to $225,228 at the end of 1933, as against $396,559 in 1932. In addition, the company had to increase its bank loans from $155,000 to $250,000.

Cut Down Surplus

Profit and loss account figures for the past two decades compare as follows:

	1933 $	1932 $
Loss on oper.	133,641	250,765
Inventory loss	......	45,334
Loss	133,641	296,099
Bank loan int.	13,598	......
Net loss	147,239	296,099
Income tax	65	2,711
Balance	‡147,304	‡298,810
Prev. surp. (earn.) ..	40,187	338,998
Bal. at credit	†107,117	40,188
Prev. cap. surp.	*277,883	278,752
Balance forward	170,766	318,939

‡Deficit. †Balance at debit. *After adjustments.

Working Capital Position

	1933 $	1932 $	1931 $
Curr. assets ..	617,259	662,422	841,731
Curr. liabs. ..	392,031	265,863	109,512
Work. cap. ..	225,228	396,559	732,219

Bank Loans Higher

At the end of last year the consolidated balance sheet of Robert Mitchell Co. showed assets totalling $2,330,282, a decline of approximately $23,000 from that reported for 1932. Bank loans, as already pointed out, increased from $155,000 to $250,000. Current liabilities are also somewhat greater.

Among the assets, property account shows a decrease from $1,021,449 to $1,641,787 in 1933. Deferred charges show a moderate decrease of $18,427 while investments are carried at the some figure, namely, $52,808.

Inventories were reduced by over $22,000 to $423,078. Cash on hand shows a reduction from $61,518 in 1928 to $13,933 at the end of last year. Accounts receivable, on the other hand, have advanced from $134,992 to $165,771.

Better Prospects Ahead

In the report to the shareholders, S. C. Holland, vice-president and general manager, states that a substantial improvement in business is expected during 1934 and further definite reductions in operating expenses have been made.

MARKET STRONGER FOR ASBESTOS CORP.

Massie Tells Shareholders of Company's Current Position

From Our Own Correspondent

MONTREAL. — An increased demand from most countries consuming asbestos, compared with the low reached in 1932, was reported by Col. Robert F. Massie, at the annual general meeting of the shareholders. He pointed out that the tonnage shipped in 1933 by the company amounted to 40,326 tons as compared with 105,234 tons in 1927. Shipments, however, were larger than in 1932, while the returns received were somewhat better.

Competition has forced the company to produce new grades of asbestos. It also has forced improvements in methods of manufacturing and, said Col. Massie, today cheaper grades of fibre are used in many asbestos products where formerly only fibres of high values were used. The demand for asbestos is still on a hand-to-mouth basis and many manufacturers have in stock large quantities of fibre purchased during the "buyers' panic of 1929."

A plan advanced and approved by the board of directors to give a bonus of common stock to Col. Massie, who is managing director as well as president, was approved in principle by the meeting, but it was decided to provide certain modifications, possibly to include other employees, before it would be definitely passed upon. The plan would have made 2,500 shares available annually for Col. Massie for a period of four years, and none of the stock would have been transferable until January 1, 1937. The plan would have covered the years 1933 to 1936 inclusive.

List Asbestos Certificates

From Our Own Correspondent

MONTREAL.—The Montreal Curb Market announce the listing of Asbestos Corp. voting trust certificates, representing 135,390 shares of no par value common stock.

FRONTENAC OIL SHARE EARNINGS LOWER IN 1934

Gross Income on Lower Basis — Working Capital Moves Forward

From Our Own Correspondent

MONTREAL. —McColl-Frontenac Oil Co.'s income statement for the fiscal year ended January 31, 1934, shows net earnings of $1.27 on the outstanding 550,000 shares of common stock. This compares with earnings of $1.53 a share on 500,000 shares in the fiscal year 1933.

The decline in share earnings is reflected in operating profit which amounted to $2,703,438, as against $3,042,973 in 1933. The drop in total income was offset largely by a lowering of interest charges and a decline in the depreciation and bad debt reserves.

Profit and Loss Account

	1933-34 $	1932-33 $	1931-32 $
Oper. prof. ..	2,703,438	3,042,973	3,370,186
Bond int.†..	622,789	679,595	643,398
Balance	2,080,649	2,363,198	2,726,788
Oth. int., etc.	45,003	60,704	46,462
Balance	2,035,646	2,303,494	2,680,326
Dep..rest., etc.	640,047	‡788,581	§984,741
Balance	1,395,599	1,513,913	1,695,585
B. D. res. ..	93,491	147,051	167,833
Net profit ..	1,302,108	1,366,862	1,527,752
Tax prov. ...	140,000	135,100	146,400
Balance	1,162,108	1,231,762	1,381,353
Pfd. divid. ..	463,173	466,563	473,392
Balance	698,935	765,199	907,960
Com. divid...	314,986	299,986	297,352
Surplus	383,949	465,211	610,608
Prev. surp...	2,504,354	2,039,143	1,428,537
P. & L. bal.	2,888,301	2,504,354	2,039,143
Earn. on com.	1.27	1.53	1.81

†Including premium on exchange.
‡Including $156,268 reserve for contingencies.
§Including $384,741 reserve for contingencies.

Working Capital Position

	1934 $	1933 $	1932 $
Curr. assets	6,325,618	5,842,100	5,703,524
Curr. liabs..	976,050	1,209,708	1,150,318
Work. cap...	5,349,568	4,632,392	4,553,206

Stock Proceeds for Bonds

McColl-Frontenac's balance sheet at the end of the fiscal year 1934 showed assets totalling $34,307,562 compared with $33,491,919 in the previous year.

It is noted that the funded debt has been reduced from $9,880,000 to $9,731,500, while the outstanding preferred stock has been lowered from $7,750,800 to $7,650,800. The common stock issued, on the other hand, has increased from 500,000 to 550,000 shares as a result of the offering for sale last May, the additional shares being sold for a cash consideration of $10 each. The proceeds from the sale of these shares were applied in the purchase of the company's own bonds.

Mortgages payable by the company stand on the books at $231,133, compared with $275,614 in 1933.

The various reserves show an increase during the year, while the current liabilities aggregate over $200,000 less than in 1933.

Plant Account Higher

On the other side of the balance sheet, the plant account is shown at $17,928,664 compared with $17,713,426 in the previous year.

Premiums paid on purchase of subsidiary's stock, goodwill, trademarks, etc., are carried on the books unchanged at $7,685,317.

Bonds purchased for the sinking fund in excess of requirements are shown on the books at $371,500, compared with $60,000 in 1933.

Investment in subsidiaries shows a decline at $981,171.

Changes noted among the current assets include an increase of nearly 50 per cent in cash on hand to $908,661. A new item in the current report is government bonds amounting to $191,052. Miscellaneous investments show an increase of approximately $83,000 to $394,846, while accounts receivable are somewhat higher at $1,385,843. Inventories have been reduced by about $155,000 to $3,445,214.

FRONTENAC BREW. OPERATING LOSS $17,351 FOR 1933

Bonded Debt Called for Redemption Next June

From Our Own Correspondent

MONTREAL.—Frontenac Breweries Ltd., subsidiary of National Breweries, reported a trading loss in 1933 amounting to $17,351. This compares with an operating profit of $43,911 in the preceding twelve months.

The position of this company has not been altogether satisfactory in recent years, the directors having found it necessary to defer interest payments on the funded debt in 1933. Following this action an offer was made and accepted by the bondholders, whereby their holdings will be taken over by National Breweries as at the middle of this year. National Breweries had previously secured control of the common and preferred stock of Frontenac Breweries through exchange of stock, or cash.

Particulars of the income account for 1933 and 1932 follow:

	1933 $	1932 $
Trading loss	17,351	*43,911
Add: Bond interest ..	52,374	54,546
Depreciation	81,439	80,857
Deficit for year	151,164	90,492
Previous debit	524,896	434,404
Less: Adjustment ...	2,140	......
Carried forward	673,920	524,896

*Profit.

Redeem Bonded Debt

Frontenac Breweries' balance sheet at the end of 1933 does not show any particular change from that reported in 1932. Assets total $3,860,771, against which the funded debt amounts to $872,900. The first mortgage bonds ordinarily would mature in 1951, but through the offer of National Breweries, they will be redeemed on June 1 of this year.

Current liabilities aggregate $686,817, of which bank loan amounts to $538,000. The loan which is guaranteed by National Breweries, was reduced by approximately $68,000 during the year.

Reserves and capital stock outstanding are the same as was reported in 1932.

Among the assets property account is shown at $2,278,728, compared with $2,281,998 at the end of 1932.

Current assets amounted to $510,940 compared with $588,974 in the previous year. The decline in this account is largely due to a reduction in accounts receivable and inventories.

Prepaid charges and bond discount were reduced during the year by about $4,500 to $40,176. Goodwill, trademarks, etc. remain unchanged at $356,873.

The deficit account now stands on the books at $673,920, as against $524,896 at the close of 1932.

1,996,255 People

The Only Market Of Its Kind In The World!

A close study of the Montreal Market District will well repay any manufacturer. There are opportunities for business here that the average merchandiser has not plumbed. In size and potential buying power it is unique in Canada!

Intelligent sales effort and organization backed by adequate advertising will make this French Reading market yours!

This mammoth French Reading market is worth the necessary advertising coverage in the media that reach these people!

A Market that is 72.8% French

1,454,380 French people only reached effectively through their own language.

The Metropolitan Area has the SECOND largest FRENCH speaking population in the World — surpassed only by PARIS! The nearby cities, industrial towns and rural areas are even more FRENCH SPEAKING in proportion to population.

METROPOLITAN AREA (Greater Montreal) — 1,018,124 French **60%**

in which is included

Montreal City, Ville LaSalle, Montreal West, Maisonneuve, Pointe Claire, Longueuil, Lachine, Westmount, St. Lambert, Verdun, Outremont, Ste. Anne, Laprairie

and many smaller municipalities included in the Greater Montreal area.

• • •

INDUSTRIAL TOWNS — 109,812 French **81.8%**

Such towns as

- **Actonvale** ....Boots and Shoes — Rubbers — Silk Products.
- **Beauharnois** ....Power — Furniture.
- **Berthier** ....Matches — Distillery Products.
- **East Angus**.......Paper Products — Lime.
- **Lachute** ....Textiles.
- **Magog** ....Textiles.

• • •

RURAL DISTRICTS — 638,866 French **85.5%**

A village and agricultural population of which 538,038 are located on 76,069 farms. Experienced and thrifty farmers with a cash market at their doors for the products of land and labour, whether it be field products, vegetables, dairy products or fruit from the orchards.

DISTRICT CITIES — 229,453 French **90.5%**

The industrial activities in these cities is known to few, yet here is a hive of industry with pay rolls that are substantial—

- **Drummondville** ....Hosiery — Celanese — Paper Specialties — Rubber Heels, etc.
- **Granby** ....Rubber Boots — Overshoes — Cigars — Blankets — Baby Carriages.
- **Grand'Mere** ....Shoes — Paper.
- **Hull** ....Ribbons — Textiles — Fibre Products — Paper.
- **Joliette** ....Tobacco — Steel — Leather.
- **St. Hyacinthe**........Pipe Organs — Textiles — Corsets.
- **St. Jerome**...........Rubber Products — Paper and Pulp — Knit Goods.
- **St. Jean (St. Johns)**..Vitreous China — Sewing Machines — Drain Tiles — Men's Clothing — Blank Books.
- **Shawinigan Falls** ....Power — Pulp and Paper — Aluminum — Carbide.
- **Sherbrooke** ....Textiles — Silk Products — Air Compressers and Drills — Scales — Paper Machinery.
- **Sorel** ....Shipyards — Steel Castings.
- **Trois-Rivières (Three Rivers)** — Textiles — Paper — Boots and Shoes.
- **Valleyfield** ....Textiles — Pulp and Paper — Flour.
- **Victoriaville** ....Furniture — Clothing.

To secure from the Montreal Market District a full quota of sales, give careful study to the field from the standpoint of population make-up, distribution channels, buying habits and trends, Co-ordinate sales and advertising plans to fit the needs of the field. The importance of the market well WARRANTS this special examination and attention.

THE facts presented here have been gathered and compiled from Government statistics by the Montreal La Presse, in the interest of manufacturers and others who desire to develop trade possibilities in this French speaking and READING market. Correspondence is invited on any specific points relating to marketing conditions in the Montreal Market District. Address: — Business Manager, La Presse, Montreal, Canada's French National Newspaper. Toronto, Ont., Branch — Metropolitan Building, S. L. Rees, Manager.

YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Agricultural Expansion Hinged on Price Advances

Record Over 40 Years Shows Expansion Occurred in Short, Sharp Bursts — Price Trends Compared Over That Period — Post-War Years High

Agriculture's position in the national economy since 1890 has been anything but static. From a value of $294 millions in that year, agricultural production rose to $1,268 millons in 1930, or more than four hundred per cent. In 1890, it amounted to 62 per cent of manufacturing production and, while this percentage had dropped to 37 in 1930, the percentage of agricultural products in total exports has risen from 17 to 25. In the latter year, also, approximately 30 per cent of all raw materials used in manufacturing in Canada was the product of the farm.

This tremendous advance in agriculture in Canada has taken place rather in quick sharp bursts than in steady fashion from year to year. Prices, too, have shown remarkable ups and downs, periods of prosperity and expansion quickly following rises in the price of farm products. Historical review of the 40-year period reveals the influences which have caused price changes, and expansion or contraction.

Historical Summary

The years from 1890 to 1896 witnessed the close of a prolonged period of depression. Foreign trade grew larger but the improved transportation facilities which contributed to this expansion were chiefly responsible for the flooding of markets with goods from hitherto inaccessible areas and for the consequent recession in prices. This was intensified by the failure of gold supplies to increase in keeping with industrial production.

As in more recent years (1930-1933) commercial opportunities seemed rare and supplies of money for investment purposes were more than adequate. Agrarian protection in Europe was on the increase and state aid to agriculture became more common. In the words of Dr. Skelton, "It was a time of crippling competition, of vanishing profits, of slow and painful readjustment to new conditions."

Klondike Starts Prosperity

Following upon the Klondike gold rush of 1896, the tide of prices turned and with it moved commerce and industry. Large "unfavorable" trade balances bore witness to heavy capital imports, attracted by the possibilities of industrial and agricultural development. Fruit farming prospered in British Columbia and settlers dotted the western prairies with grain fields with the result that Canada became the world's second largest exporter of wheat during this period. In Eastern Canada the development of mixed farming advanced with increasing strides.

The war deepened temporarily a brief period of depression which began in 1913, but this gave way rapidly to feverish activity motivated by the need for materials and supplies overseas. Prices soared, with farm products in the van. When the war ended energies were turned to supplying normal wants which for over four years had been of necessity unfilled, and prices rose further to unprecedented heights. The historic crash of prices in 1920 necessitated painful readjustments by industry and governments. Industrial production schedules were geared down and currencies were in many cases revalued and stabilized. The Canadian dollar returned to its pre-war parity on July 1, 1926.

Crash of '29

Then followed a few brief years of increasing prosperity which culminated with the fateful stock market crash of October, 1929. From that time until March 1933, indicators of economic well-being pointed almost steadily downward. Supplies of many industrial raw materials assumed record proportions; currencies were forced from their gold moorings; trade dwindled rapidly; and the purchasing power of various economic groups was painfully disturbed. Only in the last three quarters of 1933 did indications of gradual recovery begin to appear.

Index numbers of wholesale prices of farm products and general wholesale price index numbers for Canada have seldom been far apart during the past forty years. The fluctuations of the farm product index have been wider than those of the general index partly because it contained fewer price series and therefore responded more readily to individual price changes; and partly because it was composed mostly of price series of more than average sensitiveness. The most noticeable divergences between farm products and general wholesale prices in early years occurred in periods centering around 1898.

Field Crops Dominate

Due largely to the importance of grain, field crops exert a dominant influence upon the movement of price indices of Canadian farm products. During the past 40 years, however, the two groups have followed broadly the same course although field product prices have soared sharply on occasion, leaving prices of farm products far behind. These sharp advances have usually been of only short duration, however.

The wider fluctuations of the field products group are attributable chiefly to the occasional precipitous fluctuations of grain and potato prices. Changes of 20 to 30 per cent within one year for these items have been common; wheat prices have been doubled, or cut in half, within the space of one year, while potato price movements have been still more violent.

Wide Price Spreads

No. 1 Manitoba Northern wheat prices averaged 84.6 cents per bushel in 1890, and declined irregularly to 61.3 cents in 1894. The secular movement was then persistently upward until 1920, when this grade averaged $2.51 per bushel. From that point it fell with occasional interruptions to 55.6 cents in 1932 and averaged 61.0 cents per bushel in 1933.

Price movements for oats were much less spectacular than those for wheat. After dropping from 42.3 cents in 1890 to 20.3 cents per bushel in 1896, No. 2 C.W., oat prices seldom mounted above 40 cents or dropped below 30 cents per bushel until 1915. The 1920 peak price for No. 2 C.W. oats was 93.2 cents per bushel. Unlike wheat, oats has never broken through old low levels. It averaged 29.0 cents in 1930, 29.1 cents in 1931, and 29.5 cents in 1933.

Ontario potatoes dropped from 61.6 cents per bag in 1890 to 30.2 cents in 1896. Cycles of from three to five years in potato prices have been quite marked with peaks occurring in 1891, 1893, 1899, 1903, 1907, 1912, 1917, 1920, 1927, and 1930. At their high point in 1920, Ontario potatoes commanded $3.91 per bag, which may be compared with 60.0 cents in 1932 and 87.0 cents in 1933.

Animal Prices Stable

Stability of the yearly average price indices of animal products shows up in marked contrast to the wide swings in the indices of field products prices. Such averages hide, however, regular and pronounced seasonal movements of considerable magnitude. These seasonal movements are less distinct in post-war indices due largely to keener merchandising and ability to produce a good volume of milk, butter and meats throughout the winter by means of artificial feeds, etc.

Milk prices are probably the most stable among those of the more important animal products. They averaged 14 cents a gallon for the ten years beginning 1890, and 15.5 cents for the seven years beginning 1900. A later prolonged rise reached a peak in 1920 when milk sold for 35.6 cents per gallon. It was 14.4 cents in 1932 and 13.8 cents in 1933.

Steers at Low Price

Prices for steers are only roughly comparable but provide a broad basis for comparison. Average prices at Toronto dropped from $4.18 in 1890 to $3.02 per cwt. in 1896. Steer prices rose with minor interruptions from then until 1918 when they averaged $12.89 per cwt. and remained close to this level for two or three years. Gradual decline then took place until the average price for good and choice steers in 1933 was $4.61 per cwt.

Prices for hogs have behaved similarly to those for cattle except that they rose much higher in the years immediately following the war and did not subsequently decline as far. Only in 1932 and 1933 did hog prices sink to the levels at which cattle were sold and they have already made a decidedly strong upward movement. Hogs fell from $4.63 per cwt. in 1890 to $3.87 in 1896. At their post-war peak they averaged $18.66 per cwt. in 1919 and fell to $4.70 in 1932. In 1933 the average was $5.66.

QUINTE MILK PROD. HAD LOSS IN 1933

President Says Directors Now View Prospects With Increased Confidence

Quinte Milk Products in 1933 had a loss of $125, after depreciation of $1,400 on sweet cream equipment, as compared with a loss of $2,115 in 1932 without any provision being made for depreciation. As a result of the year's operation the cumulative surplus dropped from $196 to $71.

No dividends have been paid on 1,500 shares of 6% cumulative preferred stock of $100 par value since April 1, 1930. The common shares outstanding are 6,000 no par value.

L. Richardson, president, states that all possible economies have been made and that for the first time in several years the directors view prospects with increased confidence. Working capital is stronger.

Surplus Account
Years Ended December 31

	1933	1932
	$	$
Net profit	*125	†2,115
Add prev. surplus	196	2,311
Balance forward	71	196

* Loss after $1,400 depreciation on sweet cream equipment only. † Loss before providing for depreciation.

Working Capital

	1933	1932
	$	$
Current assets	15,043	14,514
Current liabilities	4,223	4,657
Working capital	10,820	9,857
Ratio	3.56—1	3.11—1

The auditors modify their certificate as to accuracy of accounts by stating that no provision has been made for depreciation in the value of the investments in and advances to Quinte Creameries (shown at $3,892) and for depreciation on capital assets for the 1931-1932 periods. Statement is correct, subject to this and to the adequacy of the depreciation provision for 1933.

The capital assets are shown as follows: building $62,787; equipment $108,301; total $171,088, less depreciation reserve of $28,281, making $142,857. In addition land is shown at $4,500, making total fixed assets $147,357.

Canada Paper Co. Stock Listed on Curb

From Our Own Correspondent

MONTREAL.—Montreal Curb Market announce the listing of 12,500 cumulative preferred shares of $100 par value of Canada Paper Co. This enterprise is a subsidiary of Howard Smith Paper Mills.

Codes for Canada: 3. The Partnership of Labor

As One of Essential Elements in Industry, Labor's Needs Must Be Recognized In Any Plan to Restrain Unbridled Competition

"Codes" is a word that suggests different things to different people. Ultimately, though, all the connotations get back to the current trend of social thought that our economic life requires a larger measure of planning and control.

Who is to do the planning, who the controlling, is one rock on which opinion splits.

How much planning, how much controlling we shall do is another rock, breaking the thinkers into a host of schools, not simply into two groups as well defined as laissez faire individualists on the one hand and Socialists, Communists and other "ists" on the other hand.

So codes may suggest Economic Fascism—the State and industry being one.

They may suggest legislation—the State ruling, the people doing.

They may suggest voluntary pledges entered into by business men—the State merely preaching co-operation and removing impediments to co-operation.

In whatever form, codification is established for the basic purpose of encouraging individual initiative within the limits of what is socially good, the interests and rights of the workingman must be respected.

Labor is Partner

Last week we discussed the impact of modern day competitive methods upon various groups of business men. This week we discuss what competition and combination mean to labor and what labor seeks under codes.

The working man is greatly interested in any scheme to regulate business. Whether industry sets out on a scheme of self-government to control competition and curb abuses or the government sets up a virtual dictatorship of industry, Labor is bound to be an important partner in the arrangement.

There are three partners in business—the workers who supply the labor, the owners of the capital who provide the machinery to multiply their energy and the consumers who use the products.

Today the State, representing the community, has become more than ever the fourth partner and, spurred by social reformers and politicians alike, it is endeavoring to become the dominant partner, controlling and correlating the efforts of all the others.

Labor and Ottawa Enquiry

It was significant that (outside of Dr. R. H. Coats, the Dominion statistician) the first six witnesses before the Stevens Committee on Price Spreads and Mass Buying, gave evidence on labor matters.

And one of the important tasks assigned to the Committee was to enquire into "the effect of mass buying on labor conditions and on the standards of living of workers in the industries supplying goods to mass buyers."

When Hon. H. H. Stevens opened fire on modern competitive practices, he felt that he was coming to the defence of various groups in the community, but of no group more directly than Labor.

Labor Under Competition

In Mr. Stevens' philosophy, as the present writer interprets it, the laborer and the farmer are permitted to have what is left after all other groups—particularly the units in the distribution machinery—have taken their fixed toll. What he would like to see is a reversal of the emphasis—a fair income for the farmer or factory worker—with the other costs piled on top of that.

Mr. Stevens is a politician and social reformer; not an economist. He has probably never read a book as abstruse as Hick's "The Theory of Wages" and he would be impatient if wages were discussed as a share in the Social Dividend. But he sees a relation between high finance, mass buying, cut-throat competition, etc., on the one hand, and wages on the other. If we are to understand what he is driving at in his enquiry and the legislation that will likely follow, we shall have to interpret as best we can, what he deems that relationship to be.

What Mr. Stevens Thinks

The relationship between modern competitive methods and Labor is conceived to be about as follows and we hope we are doing Mr. Stevens no injustice in going beyond the strict letter of his utterances and interpreting and enlarging upon his views:

The primary purpose of Canada's tariff is to maintain the standard of living of Canadian workers; to protect it from deterioration through the uncontrolled importation of goods, produced in foreign countries by workers whose wages and standards of living are lower than we consider Canadian workers are entitled to. But despite the tariff, the Canadian standard of living has been adversely affected. We have protected the worker from foreign competition without protecting him from undesirable domestic competition.

With an over-extended capital equipment and a greatly reduced purchasing power in the country, competition for business has become exceedingly keen. Directly or indirectly, workers have been competing against each other. The price that large groups of workers receive for their services is inadequate. This has led to a breakdown in large measure of accepted or formerly existing Caandian living standards. Legislative and social measures, designed to protect against such a breakdown, have proved inadequate. Because of the eagerness of workers to get jobs at any price, because of inter-provincial competition in the relaxation of statutory controls, because (Mr. Stevens would probably add) of the selfishness and short-sightedness of some buyers and some employers such controls as the minimum wage laws applying to women and the common decency of the 99 per cent of employers, have proved ineffective in protecting workers.

Mass Buying's Effects

One of the primary reasons, Mr. Stevens argument would probably proceed, for this breakdown is the fact that a few large and concentrated merchandising organizations have reached out and seized a dominating percentage of the retail trade of the country. In theory they have added efficiency and economy to our distribution system; have reduced the spread between producer and consumer with consequent benefit to the community at large. In reality, though, the argument continues, they have long since reached the point where they can merchandise goods at lower cost than former systems. The law of diminishing returns is operating. They are desperately concerned about their ability to hold their leadership in the distribution field. They are meeting keener competition from the "independents"; they are competing with one another. Unable to raise their prices to cover their spreads they have to buy at constantly lower prices. The pressure they exert on manufacturers and other sources of supply undermines the whole basis of prices and this in turn is reflected in a constant succession of wage cuts for workers.

Finding Happy Medium

Of course, this theory is yet to be proved and it relates to only one typical phase of the problem. The reader would be wise not to take it as a complete exposition of the wages issue. We have been going through a period of deflation following upon a rapid descent of the prices of all primary materials. Deflation manifests itself in a multitude of forms. A necessary concomitant of price adjustment is a painful process of bringing prices of manufactured goods and rates of wages down to the level of primary commodities. The alternative, of course, is inflation of primary prices which never of itself solves the problem of disequilibrium. Recovery in the past has always come from finding a happy medium between inflation and deflation, with deflation the historically stronger influence. To what extent the mass buyer is a primary influence in breaking down the standard of living and to what extent he is simply a cog in the economic machinery, who happens to be the logical goat for the public to pick upon, is a large question.

In any event, the cause and effect sequence between mass buying and lower wages is but a very small part of the larger issue of the position of labor in an ordered economy, and over-emphasis of this one particular problem is bound to divert attention from much more important significant problems.

Which is Hen, Which Egg?

We have seen that Labor is a key factor in the Stevens enquiry. An obvious attempt is being made to show that the workingman is the ultimate goat when goods are sold at a loss, when competitive practices become unethical.

Eventually, of course, it will have to be determined which is the hen and which is the egg. If minimum wages and working standards were established, would competition in merchandising then become less predatory? Or if competition were controlled, would there be less pressure on workers?

What Labor Wants

In this inmperfect world Labor has its complaints and its objectives. It is well to see of what nature they are.

There are Labor's long-standing grievances—long hours, low wages, sweat shops and similar forms of exploitation, lack of security. The record of the last 100 years is one of steady progress to higher standards in all these matters. Only to a limited extent can codes or legislation speed up the process of reform, and crowd a decade of social betterment in a year.

There are Labor's peculiar problems of the depression, unemployment or reduced employment, wage cuts, and a temporary increase in the force of the long term problems.

There are Labor's special problems of recent years—technological unemployment, the additional insecurity of mass production.

N.R.A. Curbs Exploitation

N.R.A. seems to have proved that codes can do only one thing to solve any of these problems—merely to prevent the worker from exploitation. Codes and legislation cannot ensure him of continuous employment, they cannot raise the average level of wages, they cannot light seriously the impact of new methods, new habits, new trends upon him.

Against exploitation in any form the workers and their unions, and honest business men stand together as a unit.

The honest and far-sighted manufacturer is as desirous of paying fair wages, establishing sanitary and pleasant working conditions and eliminating sweat shop labor competition, as any worker could possibly be in obtaining them. Such measures pay. The one per cent of employers who chisel on wages are as much the enemy of the other ninety-nine per cent of honest and ethical employers as they are of workers or of society at large.

In League With Worker

The industrial owner and manager appreciates the social immorality, the economic waste and the political danger of starvation wages. He seeks a reasonably fair level and all that he asks is that no one else is to be given an opportunity of breaking down that wage scale for purely selfish advantage. If the ethical manufacturer of clothing, furniture or printing, let us say, knows that his bids and his prices, which provide for fair wages among other items of cost, are not going to be undercut by a chiselling competitor, who will reduce wages beyond all human reason in order to get an order, he rests more comfortably.

To the extent that the National Industrial Recovery Act has failed, it has been largely because of attempting too much and confusing social objectives that can be attained by agreement and long term reforms that are more idealistic than practicable.

In N.R.A. there has been a confusion of poor economics with good sociology.

Aimed to Aid Labor

In the codification of American industry the desire to improve the position of the workingman was a consideration outshining all others in importance. President Roosevelt, outlining the objectives of N.R.A., asked Congress to promote a "great co-operative movement throughout all industry in order to obtain wide re-employment, to shorten the working week, to pay a decent wage for the shorter week," etc.

Considered along with other aspects of the New Deal programme, N.R.A.'s fundamental purposes included:

1. Putting more men to work;
2. Increasing the sum total of wages paid, thus increasing purchasing power in the country;
3. Improving prices generally by restricting over-production.

Making N.R.A. a Racket

We are not concerned with the attempt of the leaders of organized labor in the United States to utilize the N.R.A. as a lever to increase their own power and prestige and to unionize the whole body of American labor, nor with the failure of these leaders to achieve their purpose. We are concerned with what has been attempted and what has been done for the actual workingman.

There is the question of putting an end to the progressive wage-cutting which was believed to be (as Mr. Stevens believes it in Canada to be) a concomitant of excessive price competition. Minimum wages have been fixed in the codes. The minima have not in all cases been sufficient to increase the general level of wages in an industry; in others they have definitely run up wage costs. The results have been uneven and the final consequences are difficult to discuss. But these wage minima and other provisions in the codes have had the useful social effect of eliminating in large measure sweat shop labor; deliberate exploitation of such groups as the "poor whites" in Southern textile mills; and child labor. Another by-product, the displacement of large numbers of women workers by men is believed to have been an objective fixed in the President's mind, but not revealed by him in his public addresses.

Rôle of Recovery

In any event the downward spiral of prices and wages in the United States has been bottled up and this development has come about simultaneously with the creation and enforcement of codes. It may be argued whether or not the process of recovery that was under way would have produced the same result just as quickly, even if there had been no codes and no N.R.A. Probably the by-products mentioned above have been the best results to date.

There is a second concept in the N.R.A. codes, namely, the provision of some instrumentality by which hours of work may be regulated from time to time in order that work may be shared by a larger number of men and women when there is less work to do, and in order that the process of converting technological advance into greater leisure may be speeded up.

Purchasing Power Theory

And running through the two main concepts of higher wages and shorter hours is a vague theory, long popular in the United States but never recognized as sound doctrine by the classical economists in the other countries, that the stream of purchasing power can be sufficiently increased simply by increasing wages to provide a firm basis for sustained prosperity. Appealing as the theory is, it is on a par with the theory that higher taxes mean higher purchasing power. Moreover, if increased wages create sufficient purchasing power to finance themselves, the same could be said for increased dividends or increased bond interest payments. In Australia, wages were cut rather than raised to stimulate recovery and the Arbitration Court gave a lengthy judgment rejecting the "high wages =spending power" theory. Italy and France are today cutting wages as recovery measures.

The real problem of N.R.A.'s wage policy lies in the fact that a precipitate increase in labor costs, imposed upon industry at a time of strain, has introduced new disequilibria as great as those it has eliminated. One industry or one area has benefitted at the expense of another. Already some Canadian industries have benefitted at the expense of similar United States industries. Canadian workers have replaced American workers in many jobs.

In those industries where it has not been possible to make adjustments quickly to the new wage costs, the new difficulties, that have been put in the way of employers have actually impeded the opportunity of employing more men. Where has Labor gained in that?

Its Real Accomplishments

So it remains to be proved that N.R.A., by its minimum wage and regulated bonus provisions, has accomplished as much for Labor as some commentators would have us believe. Nevertheless, codification has advanced the pace of these useful social reforms:

1. Restriction of sweat shops;
2. Restriction of child labor;
3. And, through control of competitive practices, the lightening of the impact of business chiselling on the worker.

Throughout the whole process of codification there has been the utmost confusion in the minds of both sponsors and critics as to the dual character of the New Deal. Is it recovery? Or is it social revolution? Is the United States building a highway out of the slump? Or is it building a permanent new boulevard for business to travel over in the future?

Recovery and Reform

It will be recalled that in an open letter to President Roosevelt, John Maynard Keynes, the distinguished English economist, pointed out the danger of confusing the problem of economic recovery with economic reform. Dissenting from the opinion of this eminent British authority, it is argued by most of the American students and economists that economic recovery cannot be attained without economic reforms; or if attained, it will be, in the words of John L. Lewis, a leading A. F. of L. leader, "merely a transient sham, for the reason that it will result in a tragedy similar to or worse than that which befell us in 1930 and with which we are still struggling."

The reasons advanced by Mr. Lewis and others to support the inseparability of recovery and reform are threefold:

1. That the old competitive or individualistic system in industry and commerce will not work;
2. That mass purchasing power must be increased in order to absorb the constantly growing output of modern mass production industries; and
3. That hours of work must be reduced while earnings are maintained, in order that those who have been technologically displaced may be re-employed.

Views of A. F. of L.

Economic recovery thereby assumes, it is argued, economic reform, first in production and price control to maintain market stability, and second, in the redistribution of industrial output, so that a larger proportion may go to the great mass of workers either by hand or by brain. Stated by Mr. Lewis, "economic recovery means the adoption of economic planning and the placing of industry and commerce more or less in the category of public utilities."

As a recovery measure, N.R.A. has worked at cross-purposes with many other phases of the New Deal programme and has perhaps contributed as much to delay recovery in some directions as to speed it up in others. And as a long term element in the programme of social revolution, it is obviously too experimental, too unwieldy and too hastily contrived to be of much value even as a laboratory test. To attempt to judge accurately of its results would be like trying to judge the merit of a combined cold cure, heart stimulant and laxative administered to the entire population of a city, suffering from a multitude of minor and major ills. One would never know how many deaths and how many cures could be traced to the medicine as a whole or to any one of its constituent parts.

Labor Under Fascism

A word might be added at this point about the position of Labor under Fascism in Italy, where regulation of all elements in business under the State has reached its Capitalist peak as opposed to its Communist peak in Russia. Italy proceeds on the assumption that work is a social duty. Laborers must organize, not to fight employers—strikes and lockouts are both forbidden—but in order that they may contribute united effort to the State. Employers and workers are forced to agree on all matters of wages, hours, etc., but ultimately the State intervenes to distribute labor, fix wages and working conditions. Thus, the flow of capital and labor in and out of different industries and the general level of production and wages for the whole country are ultimately controlled by a highly centralized form of dictatorship which has in mind not the interests of any single group but of the whole State.

In general, it may be said that Mussolini, exercising this dictatorship benevolently and wisely, has improved the social conditions surrounding labor in Italy, has evened up the flow of advantages to individuals but has lowered the higher standards of living formerly enjoyed by the more fortunate workers, partially to share them with the less privileged workers and partially to keep Italy in the running in international trade.

Canadian Labor's Views

Canadian labor's attitude toward State control of working conditions has been outlined by Tom Moore, the president of The Trades and Labor Congress of Canada. Some of the main points he brought out in his preliminary evidence before the Stevens Committee may be summarized:

Labor believes that the cost of unfair trade practices and cut-throat competition eventually comes out of the workers' wages;

Labor believes that the Dominion Government could help to improve wage conditions by buying only from firms that pay adequate wages and operate their plants decently, not only when working on government contracts, but at all times;

Labor believes in the development of codes of fair trade practice for industry, but feels that in them Labor's right to collective bargaining through unions of the workers' own choice should be recognized. But as every worker is a consumer, government supervision of codes to prevent exploitation of the public is urged;

Labor considers the Combines Act as too inflexible. "All combinations need not necessarily be evil." A combination among industries might often be less detrimental to the public than uncontrolled competition;

Power of Ottawa

Labor believes that if the Industrial Disputes Investigation Act were extended, for instance, to cover every tariff-protected industry, instead of on public utilities only, the Dominion government would have a powerful weapon for dealing with "sweat shops" and unfair employers. This would require enabling legislation from all the provinces;

Labor would like to see the international eight-hour day convention adopted in Canada. Canada has not given effect to this international declaration of 1919 because of jurisdictional problems;

Labor would like to see a national economic council established, to act as a fact-finding body on all questions affecting employment;

Labor believes that high finance and over-capitalization of companies have played a part in producing low wages;

Labor wants the B.N.A. Act amended to permit Dominion control of interprovincial competition in labor legislation.

It will be observed that Mr. Moore is fully aware that while Ottawa may expose, it cannot propose.

Facts Brought Out

And what has this Ottawa enquiry exposed?

Several points have been made abundantly clear at Ottawa.

Minimum wage laws designed to protect women workers have not worked perfectly since the depression began. There are too many ways of evading the legislation. (The chairman of Quebec's minimum wage board cited twelve.) And workers have had an interest, in many cases, in conspiring with their employers to evade the laws.

And a very real problem has arisen in the unwillingness of Quebec to go as far as its great industrial competitor, Ontario, in labor legislation. Quebec municipalities, when factory-chasing, boast of their low wages, their antipathy to paternal legislation, their avowed advantages to the industrialist seeking low cost labor. Ontario, it is argued, has to meet the competition by permitting its own standards to be lowered. Wages and working conditions cannot be higher than the most unenlightened province permits them to be. This is the complaint. In part, Ontario voices the complaint to hide its own shortcomings in minimum wage law enforcement.

Forcing Public Opinion

We have seen that Ottawa's jurisdiction is limited. There is very little that the Dominion government can do about wages. Effective labor legislation must, under our constitution, be provincial legislation. But Ottawa has the weapons of publicity and propaganda. That is why the records of the Stevens Enquiry are being smeared with harrowing tales of cruel exploitation of individual groups of workers. If Ottawa can arouse public opinion, public opinion can force action from the provinces. And what it is hoped to attain through propaganda is:

1. Adequate enforcement of minimum wage laws to prevent exploitation of women workers;
2. Complete abolition of sweated labor;
3. Elimination of contract work on such articles as clothing, etc., in homes and tiny shops where conditions cannot be controlled.

What can be done to protect male workers from exploitation is a difficult problem. Labor leaders do not like minimum wages for men. They claim that they tend to fix standard scales that become not only minimums but maximums. And, of course, they would rather not have too much legislation to protect male workers because it would narrow the opportunity for collective bargaining through the unions. One reason why Labor is fighting such a battle for recognition of collective bargaining under the N.R.A. is that Labor's leaders realize that if the State is going to dictate hours of labor, wage rates and other working conditions, then there is no need for unions at all.

Workers Under Codes

Whatever form "codes for Canada" take, they will inevitably have to safeguard the interests of workers.

It is becoming apparent that the business man's opposition to an extension of bureaucratic authority in Canada, together with the serious jurisdictional problems as between the Dominion and the provinces, is leading the whole question of business codes down the channel of voluntary associations of business men in different groups. But the interests of the worker can and will be protected in such voluntary codes.

Wages must have elasticity to move up and down in response to changes in the scale of prices and in the cost of living. Wages in general are more rigid than, say, prices of farm products and this is one of our economic problems. But between the degree of elasticity in wage levels that permits a fair maintenance of equilibrium in the economic order, and the sort of elasticity that is represented by the incidents of sweating reported in such abundance to the Stevens Committee, there is a vast gulf.

Furniture Code

Any codes of fair business practice that have tentatively been drawn up in Canada provide for minimum wage scales and control of working conditions. For instance, in the proposed code for the furniture industry the suggestion calls for "minimum standards of wages for the various types of furniture manufacturing work, such minimum standards to be graded according to province and according to size of village, town or city . . .within high and low limits."

The N.R.A. codes have all dealt with wages but as we have seen, trouble has risen because the emphasis has not been placed primarily on providing the worker against exploitation but on creation of purchasing power; and because some unwise leaders have attempted to use N.R.A. as an instrument to gain complete unionization of labor overnight.

If we keep such impractical objectives out of our own legislation and association charters we may accomplish the good without also causing the harm.

Subsequent articles in this series on "Codes for Canada" will discuss in greater detail the constitutional problems involved in "code" legislation as well as the larger problem of State versus voluntary action to control competitive practices in business.

Other People's Views

The Cost of Freedom

Grand Rapids Herald: It would be well if the American people would ponder this statement by Stanley Baldwin, one of the greatest of contemporary British statesmen: "Our freedom did not drop down like manna from heaven." On the contrary, the liberties which we, in this country as well as the people of Mr. Baldwin's land, enjoy were won at the cost of hundreds of thousands of lives on innumerable battlefields. We accept certain rights as the commonplace heritage of all Americans, giving little heed to their history or their value. Rights may be lost in a single day by the stroke of a dictator's pen that can be regained only by long years of sacrificial strife.

Mr. Fullerton's Views

Saint John Telegraph-Journal: It does not matter what Mr. Fullerton or anybody else in Canada thinks of the situation. That will not affect it one particle. The ability of Canadians to continue losing $100,000,000 each year on a publicly-owned railway system will be the deciding factor in the ultimate conclusions which must be reached in connection with the railway problems of the Dominion. Canada, with its meagre and scattered population simply cannot continue along the lines which have been followed during the past few years. Relief must come in some form to Canadian taxpayers so far as public expenditure on railways is concerned, or Canada will find herself in the same plight as "The People's Railway."

Privilege Not Compulsion

Walter Lippmann, in New York Herald-Tribune: The only way N.R.A. can become a permanent New Deal in industry is to remove from it the initiative plus compulsion which the N.R.A. officials now possess. If that is done, the system of N.R.A. will gradually begin to take the form which Congress obviously intended it should take when the Act was passed. Codes will be a privilege granted to industries desiring them in return for concessions to the public interest in the form of collective bargaining and fair trade practices. This would be an orderly evolution of the industrial co-operation within the framework of the principles laid down by the courts and invoked by Senator Wagner when he made his official argument for the Act in his speech of June 7, 1933. But if the initiative to impose codes, and the drastic powers of compulsion, are made permanent, the prospect would be one of infinite troubles. We should find Washington tangled in a mass of rules and decrees which it could not hope to enforce. Those to whom it was attempting to dictate would be in a state of constant rebellion; those who expected enforcement and were disappointed would be in a state of continual discontent."

The Marketing Bill

Brantford Expositor: The marketing bill has been very generally acclaimed. Naturally everybody is anxious to have a greater amount of prosperity come to the producers of this country's raw materials, and any measure which is designed to further that end and broaden the market for our commodities will be welcomed. As The Expositor pointed out the other day, however, its purpose should be considerably more than to merely regulate prices. That has been tried time and again, many times with disastrous results, especially in wheat. So the regulation of prices should not be the principal goal of the new board, but rather the broadening of the markets and perhaps what is more important still the improvement and standardization of our methods of shipment for foreign consumption.

"Interlocking" Directorates

Montreal Herald: Who is better qualified for directorates of Canadian banks than men who have proved their worth in commercial enterprises?

Cut out the men who have been, and still are, prominent in business affairs from the directorates of banks who every day are concerned with the hard facts of commercial practice, and who would direct the affairs of the banks?

Would men utterly divorced from business do better? Would professional economists do better? Would a directorate of professors be ideal for running banking affairs?

We believe that men who have made good in business, men who have shown vision and administrative qualities in commercial enterprise, men who know what it is to face a payroll every week and competition and changing markets every day — these are the types of men we need as the directing force of our banks.

And these are the types of men we have right now. These are the types of men whom we can thank for having kept the doors of every one of our banks open for "business as usual" every banking day of every year right through the worst depression this country, or the world, has ever known.

Bank Chat
on
Current Topics

DOES a central bank need to have the sole right of note issue to exercise its power to control effectively the total of bank cash?

Several economists consulted on this point by The Financial Post differ. Nevertheless, the weight of opinion among Canadian students of the subject appears to be that commercial banks could be allowed to retain at least a fixed note issue without hamstringing the central bank.

Professor J. A. Curtis of Queen's University in The Economic Journal, published by the Royal Economic Society, criticizes the treatment of this contentious subject by the report of the Royal Commission on banking. The report states:

"It is essential for the full and satisfactory working of a central bank that it should have the sole right of issue of legal tender notes."

Professor Curtis comments:

"As Canadian bank notes are not legal tender, this statement does not seem to apply to them, but the appendix suggests extinguishing the banks' note issue, which seems to imply that the above statement is deemed relevant to the Canadian situation. Leaving aside the legal tender aspect, it is surely incorrect to say that a central bank must have the **sole** right of issue in order to control the system. Presumably the main purpose of giving the central bank the sole right of issue is to ensure that when expansion occurs the added demand for hand-to-hand currency will force the commercial bank to resort to the central bank—that is, the commercial bank will have to 'buy' more central bank notes with re-discounts. But this whole argument is only of significance for that part of the note issue which fluctuates or is elastic. Surely the substratum is unimportant, and it is only the elastic part of the issue which the central bank needs to have in its own power.

"There is no theoretical objection to the banks being given a fixed issue — equal, say, to the average circulation for the last two or three years — with the central bank supplying the balance of the currency. The banks appear to place great weight on the note issue privilege, and much antagonism to a central bank could be lessened by meeting them on this point, which is not essential to the existence of an effective central bank. This plan would not give a homogeneous circulating currency, but this is hardly a point of importance."

* * *

F. C. Goodenough, chairman of the board of Barclays' Bank, recently landed in New York, and has been visiting the head office at Montreal of Barclays' Bank (Canada).

H. S. Y. Thurstans, assistant manager of The Royal Bank of Canada at main branch Toronto is being moved to Sarnia branch. Mr. Thurstans was for some years located at the King and Church branch, Toronto, as accountant under D. M. Neeve.

Edward Duncan of the Sarnia branch of the Bank of Montreal left that city on April 4 to join the staff of the Ingersoll branch. W. A. Johnston of Collingwood branch has been moved to Sarnia.

Pelee Island branch of the Bank of Montreal was opened early this month for the first time since the close of navigation. Harold Rudolph and D. G. Wallace of Leamington branch made the trip to the island on the steamer Pelee.

Staff Changes

The Dominion Bank announces the following staff changes:

G. HEATH ROSS, formerly manager at Baden, Ont., has been appointed manager at Sudbury.

J. B. RUNSTEDTLER, formerly accountant at Victoria and Queen branch, Toronto, has been appointed manager at Baden, Ont.

Bank of Montreal announces the following staff changes:

N. L. FORD, formerly accountant at Saint John to be manager at Shediac, N.B.

G. HENSHAW, formerly manager at Shediac to be manager at Upper Town branch, Quebec city.

K. C. WINANS, formerly assistant superintendent of B. C. branches, stationed at Vancouver, to be third agent at New York city.

Obituary

Charles John Strachan, assistant manager of the Winnipeg main office of the Bank of Montreal died April 5 at Winnipeg.

Arthur Douglas Brathwaite formerly assistant general manager of the Bank of Montreal died at Montreal on April 11. Mr. Brathwaite helped establish western branches as C. P. R. railheads were pushed west, and was manager at Hamilton for many years and also at New York.

Wallace Cockeram, assistant inspector of Calgary branches of The Canadian Bank of Commerce, died at Calgary on March 29.

Current Events in Banking World

EXPORTS OF GOLD TO UPHOLD DOLLAR COSTLY TO CANADA

Four Economists, Two Bankers Say We Should Have Hoarded

EXCHANGE POLICY

Canada should have accumulated larger gold reserves in the last two years, in the opinion of four economists and two bankers consulted on this point by The Financial Post.

Ottawa stands to reap a tidy profit on gold holdings, if and when revaluation comes. It is now evident, however, that a much larger profit would probably have resulted from such an accumulation, and several of those interviewed pointed out that it is always easier to be wise after the event. Nevertheless, these well-informed men were all in agreement. Oddly enough, however, the reasons were different in several cases.

A year ago, it became evident that revaluation of gold was likely to develop, and this was pointed out in The Financial Post. The reasons at that time, and earlier, that the Dominion authorities were exporting practically all the gold production were: 1, that two per cent interest was being earned on its deposit abroad; and 2, that it helped sustain the Canadian dollar. So The Financial Post is informed on good authority.

What Economists Say

Both these reasons are considered bad by economists. Here is what the savants say:

Economist No. 1—What we should have done with gold depends on what we wanted to do with the exchange rate. Keeping our gold output in Canada would have weakened the dollar. Personally, I think it was a great mistake not to have done this. It would have helped sustain internal prices, as it did in Australia, and would have tempered deflation. It probably cost $300 millions of national income to keep the dollar above sterling. The added cost of our foreign loans would have gone largely to Canadians, and so would have become part of the taxable national income.

Economist No. 2.—We should have taken opportunity by the forelock in March, 1933, when all the American banks closed; to place the Canadian dollar on a parity with sterling. Gold accumulation would have been one of the means of effecting this.

Economist No. 3.—I think we should have accumulated more gold, at least in the last year, because it seemed that a substantial profit would result. Depreciation of the currency would have helped our primary industries, and I think we will require larger holdings to make ourselves more financially independent. Also we had the example of the Bank of England's accumulation to follow.

Economist No. 4.—We should have accumulated gold as part of a policy of placing the Canadian dollar on a sterling basis. Incidentally the risk was small and the possibilities of profit enormous. And the gold would have helped to start off the central bank with high reserves.

Bankers' Views

The bankers were less positive. One, a foreign exchange authority, the other a securities man, agreed, however, that accumulation of gold would have been a wise policy.

Banker No. 1.—There appeared to be good chances of a profit from such a policy. Although weakening of the dollar might not be desirable, perhaps the psychological effect of a larger reserve would have been to sustain our currency. I think, however, the Ottawa authorities have operated our currency rather well, although it may not have been a conscious control.

Banker No. 4.—There was a large profit to be made. It would have strengthened the reserves of the Canadian banking system. We might even have bought gold last autumn to keep our dollar from going as far above New York as it did with greatly weakening effects on Canadian gilt-edged securities.

The second banker, something unusual in Canadian bank officials, was advocating a policy of currency depreciation, or perhaps of anti-appreciation.

Since the Canadian dollar is now at about par in Great Britain and the United States, the best opportunity appears to have passed, the economists feel. Especially since the price of gold has now gone to $35 in Canada. If it is going to $40 or $50 in this country, however, which might mean a Canadian dollar of less than 100 cents in the United States, the question is still a live one.

Four General Managers Deny Deflation of Credit

Jackson Dodds, H. F. Patterson, S. H. Logan and M. W. Wilson Testify at Reopening of Banking Enquiry — State World Conditions Lowered Prices — Say Forced Liquidation of Loans Was Not Policy of Banks

Hearings of the standing committee of the House of Commons, Ottawa, on banking and commerce, reopened on April 10, 1934. Jackson Dodds, general manager of the Bank of Montreal; H. F. Patterson, general manager of The Bank of Nova Scotia, and S. H. Logan, general manager of The Canadian Bank of Commerce, were the principal witnesses. Morris W. Wilson, general manager The Royal Bank of Canada, was the chief witness on April 12.

In replies to questions, Mr. Dodds made a vigorous defence of the banks, stating that they had alleviated the depression in Canada and had not been responsible for a deflation of credit in Canada.

Mr. Patterson read a statement in which he declared the efforts of bank management were directed first toward maintaining the position of the bank; second, toward assisting established customers to weather the depression storm.

Mr. Logan pointed out that the depression was not a local one, but affected the whole world and that the Canadian Bank of Commerce had warned its branch managers as early as 1927 of the dangers inherent in the stock speculation mania. He said that the Canadian banks had not forced liquidation of loans unless they believed recovery of money was becoming endangered.

Mr. Wilson explained the position of the banks during the deflation period and measures taken to ease the burden of depression.

Jackson Dodd's Evidence

Jackson Dodds was questioned as to whether depreciation of the Canadian dollar in 1931 and 1932 would not have resulted in increased returns to Canadian producers of primary products. Mr. Dodds acknowledged that the low price of wheat was one of the reasons for Canadian farmers being unable to pay their debts, but pointed out that inflationary developments in Canada would have increased appreciably Canada's debt charges in New York. He thought also that Canada would have to pay higher interest rates for borrowed money so that foreign loans would cost more. Mr. Dodds pointed out that the danger in inflation was that it is difficult to tell when to put the brakes on, and stated that the end of the Australian experiment has yet to be determined.

Questioned as to the decrease in bank loans between 1929 and 1933, Mr. Dodds would not agree that there was deflation but said there was less money borrowed. He emphasized that the banks generally and his own bank were willing to lend more money but the people of sound credit would not borrow it. Explaining increases of holdings of securities, Mr. Dodds stated that banks did not want to buy bonds because they had to provide for possible depreciation and would sooner lend to commercial borrowers. He read letters from the head office to western managers congratulating them on increasing commercial loans.

Views on Deposits

Mr. Dodds acknowledged that to some extent the banks were at the mercy of the general public, and were, therefore, not able to prevent the 1929 boom and were not completely successful in preventing the subsequent deflation. Because the banks were partly successful, said Mr. Dodds, Canada suffered less from the depression than other countries. On the question of whether or not banks create deposits or merely lend what is deposited with them, after lengthy questioning, Mr. Dodds said that loans increased because deposits increased. He would not agree that the deposits might have been created by loans, and re-iterated that loans are made from deposits. He disagreed with a statement attributed to John Maynard Keynes to the effect that all deposits are created by the banks.

Concerning pegging of stocks on the Montreal Stock Exchange in 1931, Mr. Dodds explained that the stock exchange approached the banks and that his recollection was that the brokers were told to make their own decision. The Bank of Montreal, said Mr. Dodds, without making a definite commitment, signified that stocks would be carried during the pegging period. This applied to loans that had already been on the books of the banks, not to new obligations. He definitely disagreed with an allegation that banks entered into some agreement with stock exchanges to maintain pegged prices and that the banks violated this agreement by selling at lower prices on the street. None of the banks did this to his knowledge.

Mr. Dodds was asked whether banks with loans on lumber did not force lumbermen to put their stocks on the market. He replied that banks showed the lumbermen that if they stayed in their present position and lumber went down the situation would be much worse and that the man who sold in the earlier stages would be better off. Mr. Dodds acknowledged that there were distress sales of lumber in 1931 and 1932, but there was no concerted action by the banks to depress lumber prices.

Binder Twine Loans

The question of complaints from western farmers that binder twine advances were not forthcoming from the banks was brought up. Mr. Dodds pointed out that there was no general policy against binder twine loans by the banks, but said that in many cases banks would be unwise to make advances because of prior liens. He pointed out that debt adjustment legislation in parts of western Canada had to some extent destroyed the farmers' credit. Mr. Dodds said that binder twine loans and other farm loans are made in innumerable cases but not in cases where loans are not warranted. Mr. Dodds characterized the impression that in western branches some managers have no discretion as to loans as "absurd." The binder twine discussion closed with Mr. Dodds answering "no" to a question as to whether farmers in Nova Scotia ever asked banks to advance money on lobster traps.

Hon. Ian Mackenzie brought up the question of banks offering securities. Mr. Dodds distinguished between offering bonds for sale and recommending them to clients. He said that the bank would recommend purchase of Dominion of Canada bonds or C.N.R. bonds guaranteed by the Dominion, but that although bonds such as City of Montreal debentures might be offered for sale they would not be recommended by his bank.

H. F. Patterson Testifies

H. F. Patterson, general manager of the Bank of Nova Scotia said that in combatting the depression, no concerted policy was followed by the banks, each bank handling its own problems. Bank managements directed their efforts (1) towards maintaining the position of the banks; (2) toward assisting established customers to weather the depression.

He pointed out that at the annual meetings in 1928 and 1929 executive officers of the Bank of Nova Scotia pointed out the dangers of over-speculation. A circular was issued to branches as early as September 15, 1927, drawing attention to extensive speculation, in an endeavor to safeguard managers, and customers, and prepare them for the painful reaction. As to maintaining their position, Mr. Patterson cited the stability with which the Canadian banks have withstood the successive crisis of 1929, 1931 and 1933, and the safeguarding of deposits.

As to carrying customers, the key note of Canadian banking policy, said Mr. Patterson has been to go to great lengths during crises, provided the position of the individual customer is not obviously hopeless. He pointed out that the fall in prices in Canada has been part of a decline of prices throughout the world, and that the decline did not originate in Canada, but in other countries. The shrinkage of current loans, Mr. Patterson suggested, should be regarded as proceeding from the decline of wholesale prices. Some businesses decreased their borrowings voluntarily. Pressure on customers by the banks did not initiate the decline, he said.

Canada's Position

Remedial action attempted by a country such as Canada, a minor economic unit, could not have corrected a world-wide situation, said Mr. Patterson, but by pursuing the two aforementioned objectives he thought the banks had ameliorated the situation. In response to questions, Mr. Patterson acknowledged that a bank may put money into circulation by created credits at least temporarily. He also acknowledged that if banks were all foolish enough to call in loans there would be a tremendous deflation. But he refused to be drawn into an admission that reduction of bank loans between 1929 and 1933 had been responsible for the decline of prices in Canada.

S. H. Logan's Evidence

S. H. Logan, general manager of The Canadian Bank of Commerce, pointed out that the depression is a world affair, that Canadian prices are settled largely on world markets, and that, therefore, no action by the Canadian banks could have raised such prices. He stated, however, that the banks did take pre-depression steps to guard against depression. Warnings were issued by his bank as early as 1927 pointing out to branch managers the dangers inherent in the mania for stock speculation. Commercial borrowers were also warned. These warnings were not notably successful, he said.

It is not correct, he said, to claim that purchasing power has fallen as far as bank loans, or that banks are responsible for the decline in loans. By buying securities, he stated, the banks merely took another method of lending. And merchants and others voluntarily contracted their borrowings by lightening inventories as prices fell, or threatened to fall. Also, smaller loans financed the same amount of goods at lower prices. This was true, he said, in all kinds of industries.

Banks in some cases were obliged to force loan reductions, he said. But this was only done where the security of the loan was endangered, and not at all gleefully.

Mr. Logan pointed out that the accusation that banks are not willing to make loans is based on a false estimate of the credit of those desiring to borrow. He cited the United States, where the Federal Reserve banks were given authority to lend for this very reason in 1932, and granted loans in only 14 of 1,286 applications. Neither could banks bring about greater velocity of deposits, said Mr. Logan. He thought the subject of circulation velocity worthy of more study.

Couldn't Curb Boom

In reply to questions, Mr. Logan explained Canadian banks were not successful in curbing speculation in 1928 and 1929, first because the mob psychology of the period could not be controlled, and second, because money for speculative purposes came into Canada from foreign sources.

His bank ordered branch managers to keep loans on securities down in 1929, said Mr. Logan. In 1930, the bank made speculators reduce loans to a point where they could be carried safely, he said, but the bank did not tell managers to shut down entirely on any kind of loans. The banks were not responsible for stock loans going down. The decline of the market and altered psychology brought about the decline in loans, he said.

Commercial loans shrank without pressure from banks, said Mr. Logan. Much of the reduction was voluntary by customers. He refused to swallow a statement that small loans had in some cases to be liquidated to carry one large frozen advance.

Farmers and Bank Clerks

There is no truth in the allegation that banks take all the possible security on farm loans and then refuse to finance later operations, said Mr. Logan. He pointed out that his bank made 10,000 new loans to western farmers in 1933. Ordinarily farm loans are expected to be paid off within six months, but many had not been liquidated in this period during the depression. The cost of seven or eight per cent money is a small part of the farmer's budget, said Mr. Logan. The banks' money costs 4½ per cent, not 2½ per cent, he said.

Minimum wage for bank clerks averages $450 a year, Mr. Logan revealed. Increases amount to about $100 a year, but not in times like the present. Bank employees are allowed to marry on $1,200 a year. Mr. Logan stated that bank clerks are pretty well paid because there is a pension fund, they are sure of their jobs, get holidays with pay, and sometimes bonuses. He said the bank would sooner deal with its employees personally than through collective bargaining organizations.

Morris W. Wilson Evidence

Morris W. Wilson, general manager The Royal Bank of Canada, showed how Canadian exports had declined from $1,374,000,000 in 1928 to $501,000,000 in 1932. World deflation and curtailment of purchasing power, he said, was a problem no Canadian body could solve. Since the first duty of a bank is to its depositors, it was necessary in some cases to advise borrowers to reduce expenses; to reduce loans in keeping with the lower volume and prices; and that impairment of liquidity to pay dividends could not be allowed.

Both creditor and debtor are unhappily situated in a deflation, said Mr. Wilson. Banks, he said, are considered unfair, first because their dealing in money leads to belief that they are responsible for its value, second, because their total assets are large, and their responsibility for most of these depositors is overlooked by critics. To combat deflation, he said, banks used common sense. They carried many borrowers although all could not be saved from bankruptcy. The number of borrowers who have come through, he thought, answered the question as to what banks had done to combat depression. The utmost banks could do, he said, consistent with duties to depositors was to liquidate in orderly manner wherever possible, and to take more than normal risks in extending new advances.

Replies to Questions

In reply to questions, Mr. Wilson stated: Banks do not like to lend on foreign exchange holdings of customers because the holder does not want to sell his exchange and liquidate the loan. Bank profits on exchange are not great when the expenses and risk are considered. Banks want stability of exchanges. There is no such thing as a bankers' committee setting the New York exchange rate. The central bank can control exchange, if someone else, presumably the government will pay the losses. In a casual way there was some raising of interest rates after the onset of depression to encourage payment of weaker loans, but the general trend had been to lower interest rates.

Banks did not decide the policy of pegging stocks in Montreal in 1931. Upon request for advice, brokers were told that prices were pegged during the war, but the brokers made their own decision. Banks co-operated by continuing loans on the pegged prices. Banks did not sell securities outside the market at lower than pegged prices.

The security business of the Royal Bank was largely in government and municipal bonds, and the bank never sponsored the sale of pulp and paper securities. When the bank puts its name on a prospectus, it feels that it recommends the securities. The Royal Bank does not own a share of the Montreal Trust Co., and the latter does not sell securities, but has a recommendation list. The trust company would not try to place with its customers securities of the bank, but in a personal way might suggest other than gilt-edged investments if a client asked for such recommendations. "I am fed up with corporation financing as far as our bond department is concerned," said Mr. Wilson. Bond dealers criticized the banks' activities in bond dealings because they disliked competition. But the Royal Bank would not give up its right to deal in securities, although its bond department will never be a big department.

There is ample currency in Canada. Interest charged with the borrower's consent at over seven per cent is justified by Privy Council decision. Service charges to customers are also within the authority under the bank act, if the customer agreed to them.

The reason that the Canadian dollar went to a discount in New York was that there was a heavy demand for American currency. Loans from New York offset a heavy import balance in 1928 and 1929 and kept the Canadian dollar near par. Exchange spreads are higher because of the greater risk when currencies are fluctuating. Exchange operations are carried on through New York because it is the financial centre on this continent.

Inner reserves are set up by banks to take care of abnormal losses. They do not appear separately in bank statements, but are deducted from total loans. Amounts are set aside from profits for bad and doubtful debts. Inner reserves have been strained during the depression.

Directors' Remuneration

Twenty-five Royal Bank directors get $85,000 in fees less a 15 per cent cut. Sir Herbert Holt gets $25,000 a year as president, less a 10 per cent cut, plus his director's fee. Sir Herbert is "about the poorest paid individual in Canada." His average income from the Royal Bank was $14,000 a year over 25 years.

Banks could not pay every depositor 100 cents on the dollar if they all asked for their money at once. The theory of banking is based on the expectation that everyone will not go crazy at once. Something like this happened in the United States, but to the credit of Canadians, there wasn't a ripple here.

Interest on loans could not be reduced to three per cent because the banks' money costs more than that. Banks are operating on a narrow margin. Rates to western municipalities are about one-half per cent higher than in the east because costs are higher in the more scattered areas. The Royal Bank did not sue Calgary for New York funds on bonds it held because it did not want to sue a Canadian city. The bank made a compromise and got no thanks for it.

Banks put more money in circulation by increasing their loans, and also by increasing investments. Conversely the amount of money in circulation, in the form of currency and deposits, is reduced when loans become lower or when banks sell securities.

Three months notes of farmers have to be renewed before crops are ready for harvesting, to enable the bank manager to keep in touch with the customer. A manager who lends to a farmer in April and expects to get paid in July should "have his head read." Compounding of interest on renewals is an infinitesimal charge.

Interlocking Directorates

Jackson Dodds submitted a brief on interlocking directorates. Banks, he stated, should be under the most capable direction. So those most successful in their own businesses were selected for directorates. Their special knowledge is valuable in lending to those in their own line of business. Banks seek directors for the same reason that other companies do, because of their ability, hence there is sure to be duplication. Business leaders are also valuable in bringing new business to banks. It would be a serious loss if the best business men were not allowed to sit on bank directorates.

Money Paradox Prevents Import Gold to Canada

A paradoxical monetary situation has recently existed in Canada. In the last two weeks Canada's dollar has been above the "gold point," the level at which it becomes profitable to ship gold, but no gold has been shipped. The reason is that the statutory value of gold in Canada is still $20.67 an ounce, whereas it is $35 in New York, and no measures have been taken in Canada to allow Ottawa authorities to buy from abroad at the full $35 price.

Briefly, one million dollars in gold at New York is only about $590,000 at the Canadian statutory price. The small premium that has existed on Canadian funds, however, is not considered sufficiently serious to warrant action. But until something is done about it, there appears to be little likelihood of any imports of gold coming to Canada.

Dominion Note Circulation $172,617,921 at March 31

Circulation of Dominion notes at March 31, 1934, totalled $172,617,921, compared with $175,806,729 at the end of February. The reduction was due to reduction of $3,300,000 in Finance Act advances to $40,144,000. There were slight increases in $1 and $2 notes outstanding, possibly due to the Easter holiday, which fell on the month-end.

Gold holdings of the department of Finance increased $185,132 to $71,703,785 and the excess over statutory requirements increased $85,798. Gold holdings were as follows:

Department of Finance Gold Holdings At March 31, 1934

Against post-office savings (10% on $22,621,530)	$2,262,153
Against notes under Dominion Notes Act	68,973,921
In excess of statutory requirements	467,711
Total	$71,703,785

Saskatchewan Has 182 Fur Farms

Saskatchewan had only 182 fur farms in 1932, according to the final, revised, federal report on the fur farms of Canada, but the value of fur farm properties was comparatively high, at $644,465. There were 135 fox farms, 34 mink, 3 raccoon, 1 coyote, 7 badger, 1 fitch and 1 muskrat.

Foreign Exchange Markets

FOREIGN exchange markets marked time in the week ended April 16. From the Canadian point of view a peculiar development was the maintenance at times of a New York rate that would warrant imports of gold into Canada. Neither banks nor the Department of Finance have been authorized to import on the basis of the new $35 price in the United States, so no imports have been made.

Sterling has apparently been steadied at about 62.9 per cent of its old gold par. While this is a great recession from the old franc parity, it is substantially above the new American par based on 59.06 per cent of the former gold content of the dollar. While British authorities appear to be fully aware of the dangers of starting a currency war, there is considerable feeling in Britain that sterling should not be stabilized anywhere above its old dollar parity. The peculiarity of the situation is that the American dollar was devalued before a commensurate rise of internal prices had been achieved. Thus the problem of deciding on parities is considered more complex.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

		Par	Apr. 10	Apr. 11	Apr. 12	Apr. 13	Apr. 14	Apr. 16
		$	$	$	$	$	$	$
U.S. dollar	High	0.5906	.99 15/16	.99 15/16	.99¾	.99⅞	.99 15/16	.99 13/16
	Low	0.5906	.99¾	.99 11/16	.99 11/16	.99¾	.99 13/16	.99⅝
1933	High	1.0000	1.20⅝	1.20½	1.20⅜	1.20 1/16	1.19¾	...
	Low	1.0000	1.20⅜	1.20¼	1.20¼	1.19	1.19	...
U. K. pound		4.8665	5.15½	5.15	5.15¼	5.14¾	5.15	5.14
Argentina		0.9648	0.2344	0.2542	0.2544	0.2547	0.2547	0.2501
Australia		4.8665	4.0999	4.0960	4.0986	4.0948	4.0958	4.0866
Austria		0.1407	0.1901	0.1900	0.1900	0.1903	0.1903	0.1894
Belgium		0.1392	0.2340	0.2338	0.2338	0.2340	0.2340	0.2331
Brazil		0.1963	0.0903	0.0900	0.0901	0.0901	0.0902	0.0900
Czechoslovakia		0.0296	0.0416½	0.0415½	0.0415½	0.0417	0.0416¼	0.0415
Denmark		0.2680	0.2303	0.2300	0.2304	0.2303	0.2304	0.2298
France		0.0392	0.0660	0.0650	0.0659	0.0659½	0.0660¼	0.0658
Germany		0.2382	0.3951	0.3945	0.3948	0.3950	0.3950	0.3938
Greece		0.0130	0.094½	0.094¾	0.094¾	0.094¾	0.094¾	0.094¾
Holland		0.4020	0.6755	0.6749	0.6758	0.6762	0.6764	0.6748
Hungary		0.1749	0.2974	0.2971	0.2973	0.2977	0.2977	0.2971
India		0.3650	0.3931	0.3923	0.3925	0.3930	0.3930	0.3923
Italy		0.0526	0.0855	0.0856	0.0856	0.0854	0.0852	0.0852
Japan		0.4985	0.3069	0.3065	0.3067	0.3071	0.3072	0.3066
Jugoslavia		0.1929	0.0227½	0.0227½	0.0227½	0.0228	0.0228	0.0227
New Zealand		4.8665	4.1162	4.1124	4.1149	4.1112	4.1122	4.1029
Norway		0.2680	0.2586	0.2589	0.2590	0.2590	0.2590	0.2584
Poland		0.1122	0.1910	0.1899	0.1900	0.1903	0.1903	0.1893
S. Africa		4.8666	5.1437	5.1388	5.1421	5.1373	5.1385	5.1269
Spain		0.192948	0.1365	0.1365	0.1365	0.1366	0.1367½	0.1364
Sweden		0.2680	0.2660	0.2659	0.2661	0.2659	0.2662	0.2652
Switzerland		0.1930	0.3233	0.3230	0.3233	0.3236	0.3236	0.3229
Hong Kong		0.5422	0.3912	0.3908	0.3895	0.3901	0.3891	0.3878
Shanghai		...	0.3525	0.3525	0.3506	0.3500	0.3500	0.3500

Weekly Bank Clearings

	Apr. 12, 1934	Change year ago	Apr. 5, 1934
	$	%	$
Halifax	2,193,311	+30.9	1,845,430
Saint John	1,635,058	+33.9	1,433,767
Moncton	563,863	+19.4	608,690
Sherbrooke	645,462	+35.4	565,300
Quebec	3,759,451	+25.4	3,983,709
Montreal	100,756,915	+64.1	73,793,819
Ottawa	4,194,787	+24.9	3,761,699
Kingston	523,105	+32.0	466,815
Peterborough	571,329	+24.2	639,230
Toronto	113,049,878	+69.3	91,923,887
Hamilton	5,096,383	+80.3	3,898,560
Kitchener	1,077,603	+46.9	963,377
Brantford	745,807	+23.5	786,855
London	2,582,013	+46.1	2,582,512
Chatham	476,579	+35.0	407,986
Windsor	2,091,637	+12.7	1,980,852
Sarnia	431,607	+35.6	376,621
Sudbury	763,908	+79.5	561,179
Ft. William	614,795	+43.1	476,871
Winnipeg	32,774,083	+21.3	24,447,519
Brandon	260,561	+10.3	281,947
Regina	2,930,755	+ 3.8	2,690,208
Moose Jaw	414,343	— 2.0	445,159
Saskatoon	1,132,356	+17.9	1,127,225
Pr. Albert	246,565	+19.5	248,813
Edmonton	3,571,187	+17.4	3,647,146
Calgary	4,010,082	— 3.5	4,088,636
Medicine Hat	220,818	+61.8	166,197
Lethbridge	379,815	+25.0	302,069
N. W'minster	505,430	+27.3	492,784
Vancouver	15,612,285	+46.6	12,643,879
Victoria	1,558,684	+29.6	1,379,499

JOHN COTTON'S TOBACCOS

"From the Land of the Heather"

The man who loves his pipe finds in JOHN COTTON'S a tobacco that brings comfort, peace, and relief from worry, coming as it does from an older and more placid world. There is no finer tobacco made than JOHN COTTON'S—"Scotland's Best."

In three strengths — Mild - Medium - Strong

1 ounce tin, 25c 2 ounce tin, 50c 4 ounce tin, $1.00

Save with Safety

This leading company stands out prominently among Casualty Companies because of its

STRONG FINANCIAL POSITION
EXCELLENT SERVICE TO CLIENTS
DIVIDENDS PAID YEARLY

In 1933 this company paid back to policyholders in dividends, $2,827,117.38.

Lumbermens Mutual Casualty Company
1201 Concourse Bldg. - - - - - - Toronto, Ont.

Financial Condition of
OCCIDENTAL LIFE INSURANCE COMPANY
Los Angeles, California
January 1, 1934

ADMITTED ASSETS

Government, Municipal and Corporation Bonds	$5,053,690.44
Mortgage Loans on Real Estate, First Liens	4,116,265.15
Loans to Policyholders, Upon Security of Company's Policies	5,282,460.54
Balance Due on Properties Sold Under Contract	3,477,987.35
Western Mutual Fund	2,224,537.83
Corporate Stocks	1,650,811.40
Cash in Office and Banks	317,132.77
Net Life Premiums Deferred and in Course of Collection	793,459.77
Interest Due and Accrued	495,605.38
Other Admitted Assets	27,866.90
Total Admitted Assets	$23,439,817.53

LIABILITIES

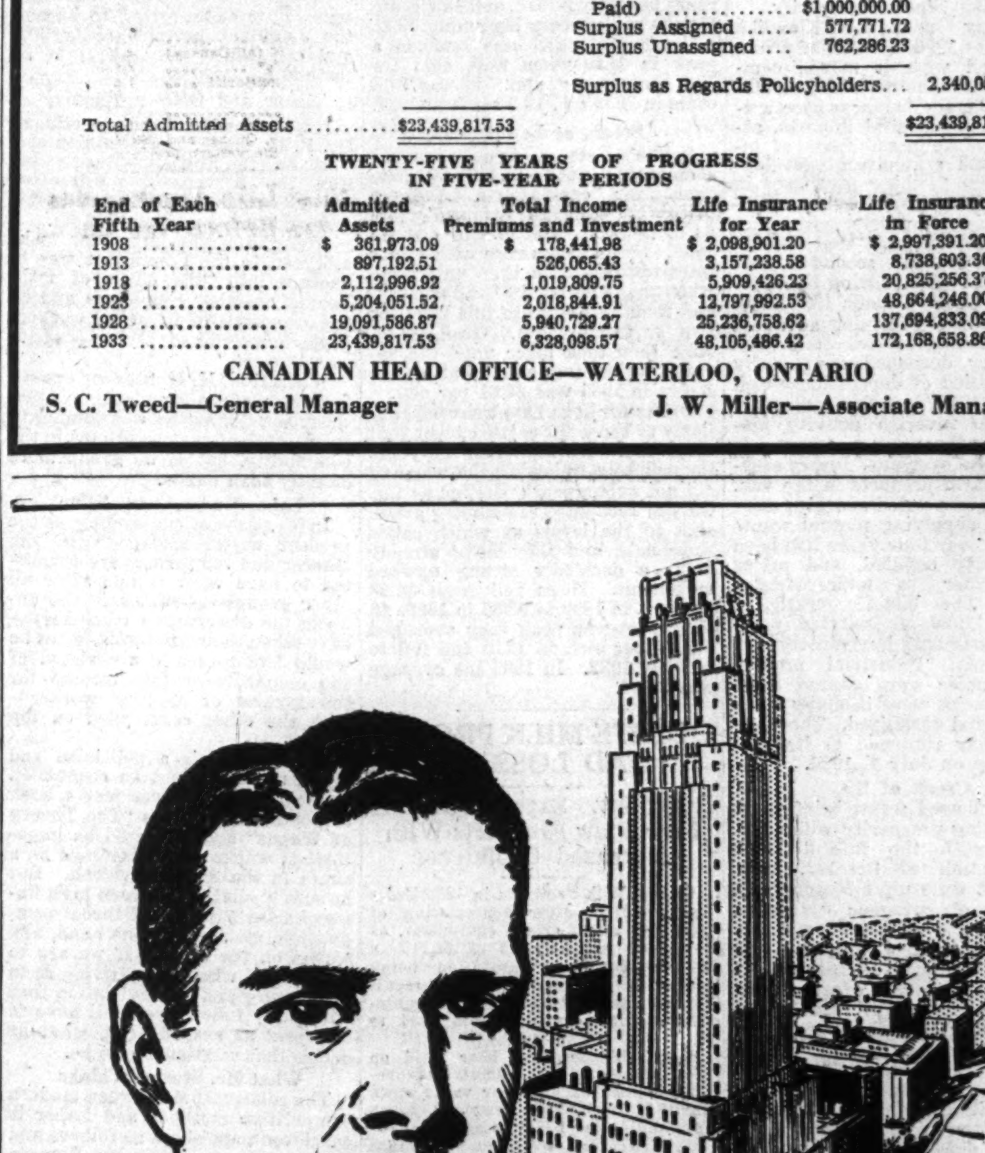
Reserves on Life Policies Required by Law	$18,335,171.47	
Reserves on Accident Policies Required by Law	59,029.15	
Western Mutual Fund	1,823,014.88	
Life Premiums and Interest Paid in Advance	415,197.79	
Reserves for Federal, State and Other Taxes Hereafter Payable	55,216.87	
All Other Liabilities	64,855.68	
Contingency Reserve for Investment Fluctuations	347,273.74	
TOTAL LIABILITIES		$21,099,759.58
Capital Stock (Fully Paid)	$1,000,000.00	
Surplus Assigned	577,771.72	
Surplus Unassigned	762,286.23	
Surplus as Regards Policyholders		2,340,057.95
		$23,439,817.53

TWENTY-FIVE YEARS OF PROGRESS IN FIVE-YEAR PERIODS

End of Each Fifth Year	Admitted Assets	Total Income Premiums and Investment	Life Insurance for Year	Life Insurance in Force
1908	$ 361,973.09	$ 178,441.98	$ 2,098,901.20	$ 2,997,391.20
1913	897,192.51	526,065.43	3,157,238.58	8,738,603.36
1918	2,112,996.92	1,019,809.75	5,909,426.23	20,825,256.37
1923	5,204,051.52	2,018,844.91	12,797,992.53	48,664,246.00
1928	19,091,586.87	5,940,729.27	25,236,758.62	137,694,833.09
1933	23,439,817.53	6,328,098.57	48,105,486.42	172,168,658.86

CANADIAN HEAD OFFICE—WATERLOO, ONTARIO

S. C. Tweed—General Manager J. W. Miller—Associate Manager



EARNSCLIFFE LINEN BOND

The alert business man of to-day chooses his stationery with care and discretion, knowing the value of prestige and personality in his letter heads. The choice of EARNSCLIFFE LINEN BOND as a letter paper guarantees those advantages. Dignified in appearance and obviously of high quality, it lends prestige to any business: its high grade *rag-content*, giving it a durability beyond ordinary requirements, makes it particularly suitable for letter heads, Notes, Drafts, Insurance Policies and other important documents. Ask your printer about "Earnscliffe."

This watermark identifies Superfine Linen Record, Rolland Antique, Earnscliffe Linen Bond, Colonial Bond, Mount Royal Bond, Service Bond, Rockland Bond, and other fine papers.

Made in white and 8 business-like colours.

ROLLAND PAPER CO. LIMITED

High Grade Paper Makers since 1882—Montreal.

Advertising Exaggerations Viewed from 21st. Century

Advertising Director of Canadian Industries Assumes Mantle of H. G. Wells to Flay Early 20th Century Advertisers for Untruthfulness

Assuming the mantle of H. G. Wells, the advertising director of Canadian Industries, B. W. Keightley, in the course of recent addresses before the Advertising Clubs of Toronto and Montreal, looked on early twentieth century advertising from the vantage point of 2084.

Beginning with Barnum and his free use of superlatives and exaggerations, Mr. Keightley traced the trend of national advertising toward this type of copy and accompanied his observations with caustic comment. In part, he stated as follows:

"From the fragmentary records which are available to us of this more enlightened age, we gather that this business in advertising sprang into mushroom growth in that part of the Confederation of North and South America which was at that time referred to as the United States. Its earliest advocate of which we have record was a sort of master clown named Barnum who collected together a number of freaks and oddities into a show, toured his country with it, exhibiting to a curious crowd all the human and animal monstrosities that he could find.

"This man Barnum discovered that he could pack the crowds into his tent by advertising. He discovered an almost hypnotic power in the use of superlatives and exaggerations, and he popularized a vocabulary of over-statement which was to become the bright lexicon of advertising in the ensuing century. This vocabulary consisted almost entirely of superlatives such as biggest, greatest, best, and so forth, and the power of this man over his disciples was so great that even down to about 1940, no advertisement was considered complete without at least six such superlatives.

Medicines Follow Barnum

"His methods were applied most successfully by makers of patent medicines and all manner of quack nostrums of the period, and received a new and interesting twist in the period following the Great War, when some bright light discovered the fear complex and discreetly suggested with all the power of invective at his command that his readers were suffering from bleeding gums, bad breath, body odor, fallen arches and a host of other complaints.

"Looking back at this time, which, strangely enough, prided itself upon the possession of sophistication and good taste, we marvel at the naivete and stupidity of the advertising men of the period who could have really believed that they were really believed. Such conditions, of course, would be impossible today, when not only does government supervision preclude such deliberate attempts to mislead, but the natural good taste of our people would render impossible such evidences of bad judgment.

"We see that although the business men of the period prided themselves upon an enlightened and progressive viewpoint, they were at one with the financial leaders of the period in harboring a state of mind so static that it seems never to have occurred to them that conditions were changing before their very eyes.

Blindness Astonishing

"During the allegedly prosperous years between 1920 and 1929 a general dissemination of money made it possible to sell almost anything, and the periodicals of this time were loaded with advertising ground out with machine-like rapidity. Business was good, the merchandise sold, it paid to advertise, and that was that.

"The most astonishing blindness seems to have been revealed by the advertising fraternity during the years following the collapse of 1929, when, in spite of the fact that the world was most obviously re-shaping itself before their very eyes, we find the advertising of the period shaping itself repetitiously upon the same formulae which had done the trick during the lush years. The major part of such advertising consisted almost entirely of tiresome repetition of superiority. Whosis said that Whosis's Tobacco or Biscuits or Tea was the best, and therefore it had, of necessity to be the best.

"The fact that a half a dozen other Whosis's were saying the same thing in practically the same words, seems to have been overlooked. More, in spite of the fact that big business as a whole was coming to be regarded with suspicion as being selfish and self-centred and anti-social, we find the official advertising of business to have exhibited only the selfish desire to sell. We find almost no attempt to rid advertising of the tiresome type of chest-pounding assertion, the Barnum-like bragging and exaggeration, and to replace these methods with a quietly informative announcement that would help the public to see a business in the light of a public servant rather than a mere profit-maker for its owners.

"It was not until long after 1940 that advertising finally stripped itself of the spirit of Barnum and, recognizing the subtle and illusive quality of psychological reactions, decided that such reactions were more likely to be created in the advertiser's favor by deft suggestion and truthful information than by the sledge-hammer methods of the past."

ACCEPTANCE CORP. "PAPER" BUSINESS LOWER LAST YEAR

Earnings Totalled $59,905 Compared to $97,731 in 1932

From Our Own Correspondent

MONTREAL. — A shrinkage in the volume of business handled by the company from $12,512,000 in 1932 to $7,596,000 in 1933, is reflected in the earning power of Industrial Acceptance Corp. Last year the company earned $59,905, compared with $97,731 in the previous twelve months.

Installment sales in Canada experienced a sharp shrinkage in 1933, but returns for the first quarter of 1934 indicate a very rapid recovery, with the resultant increase in Industrial Acceptance Corp.'s business for the first three months of over 25 per cent.

In his report to shareholders, Russell D. Bell, president, had the following to say:

"Operating economies were rigorously continued throughout the year with the result that expenses were reduced from a comparative figure of $459,000 to $337,000 without sacrificing efficiency, as attested by the company's portfolio. Net profits declined in approximately the same ratio as volume, standing at $58,905.62 before debenture interest as compared to $97,731.07 last year. Debenture interest amounted to $56,117.42, leaving $2,788.20 to be added to surplus.

"Dealers' Credit Balances referred to in previous annual reports as 'Margins Withheld and Holdbacks,' standing at $478,787., constitute what is in effect a reserve against the great majority of receivables outstanding and are payable when and as paper purchased from such dealers has been fully liquidated.

"The policy of diversifying the type of paper handled has been pursued throughout the year and a sound relation has been maintained between miscellaneous and automobile outstandings. New and important factory contracts have been concluded during the year, in addition to the repurchase agreements with Canadian manufacturers, referred to in previous reports, all of which remain in effect.

"Factory and dealer connections now existing are so numerous that a comparatively small improvement in the business handled by them generally would create a very substantial enlargement of your business. In a general way the year 1933 has added a further period attesting the soundness and vitality of this form of consumer credit. Your directors feel that your company has weathered three years of the most unfavorable conditions in a very satisfactory manner, and that its position is such that substantially increased profits will follow the improvement in general business which is now manifesting itself.

"With the exception of a certain group of farmers accounts amounting to approximately $200,000 which have been segregated on the balance sheet, the character of the portfolio, which aggregates about $4,000,000, in respect to securities and percentage of overdue accounts is stronger than at any time in the company's history."

Troubles in U. S. Retard Antipodes' Zinc Industry

Word from Australia's zinc industry indicates that the unsettling effect of the United States internal situation is hampering the improvement which increase in world prices had promised. Tasmania, in common with all other zinc producing countries, is having its output governed by the International cartel, which is holding production down to 50 per cent of capacity. Added to this, the uncertainty which, it is felt, surrounds the outcome of Roosevelt's industrial experiments, retards any definite improvement.

WESTERN HOMES REVENUE IS DOWN

Interest Collections on Farm Loans One p.c. of Amounts Invested

The 19th annual report of Western Homes Ltd., Winnipeg, shows capital subscribed $2,953,300 and capital paid up $1,426,524. Net profits for the year were $21,303 and dividends paid on January 1, 1933, were $28,059. Surplus brought forward from 1932 was $33,931 and, after dividends and other adjustments, the surplus cash forwarded into 1934 was $24,013, a drop of more than $5,917.

Gross revenue was $81,071, $23,717 down from 1932. The company has not taken interest over two years in arrears into its accrued interest account and the value of the $53,307 in the accrued interest account will depend upon conditions during the next five years.

Real Estate Loss $33,514

Loss on real estate was $33,514, which is $22,680 more than the amount written off in 1932 and more than the loss in any other year. In referring to this, Willis Argue, president and managing director, stated that it was a matter of opinion as to how long real estate should be held when the market is unfavorable. It was his personal opinion that all reasonable offers should be accepted and the loss, if any, taken at once. The company had paid a dividend the first year it was in business and continued dividend payments regularly every six months until July, 1933. In the face of conditions such as experienced in 1933, continued payment was not felt consistent with sound business factors.

The company had built up a surplus in reserve totalling $182,013 and had paid 35 dividends. In the five years 1929 to 1933 the company paid $32,203 to the Dominion and Provincial Governments in taxes, provided for loss on real estate of $68,060 and had a net profit for this period of $311,340. Although in the last three or four years the majority of farmers in Western Canada have been unable to meet ordinary operating expenses and few of them have reduced their obligations, believing that in the very near future they would again enjoy the prosperity and revenue sufficient so that their farms would again be accepted as a safe investment, it was true that the financial position of the farmer had not yet improved and there were as yet few signs that would lead one to expect an improvement.

Rents Falling, Vacancies Increase

Rents on city properties were falling, and the usual margin between rent receipts and expenditures for taxes, insurance and repairs was smaller than it had been. Unemployment was increasing with a corresponding increase in vacant homes.

Governments were continuing to enact debt adjustment legislation, said Mr. Argue. Whenever an addition or amendment was announced, many debtors who had money and were able to pay, pulled the pocketbook strings tighter, believing that if they waited long enough their debts might be cancelled.

Interest collections on the company's farm loans in 1932 totalled less than one per cent of the capital invested in these loans, hardly enough to cover supervision. There was a little improvement in 1933 but results are still far from satisfactory. Better collections could not be hoped for until farmers receive a price for grain and livestock high enough to cover operating costs.

Early in 1933 interest collections on city loans began to slow up. This situation did not improve during the year so that the gross revenue on such investments was reduced to six per cent as compared with a previous average of seven and one-half to eight per cent. As a result the net profits in 1933 were far below the average of the previous eighteen years.

The company had invested $388,962 in farm loans and $831,458 in city loans; the total mortgage investments therefore were $1,220,419. Properties listed at $370,833 were taken in satisfaction of accounts which could not be collected and were taken into assets at cost.

Insurance For Buyer and Seller

AUTOMOBILE TARIFF FIRMS FARED BEST

Earned Loss Ratio Lower Than Non-tariff Figure in 1933

DO 58% OF BUSINESS

Member companies of the Canadian Automobile Underwriters Association obtained a better loss ratio on their automobile business in Canada in 1933 than did non-tariff companies, according to figures compiled exclusively by The Financial Post. The earned loss ratio for the tariff companies is found to be 39.7 per cent for the year, while for all non-tariff companies the ratio of net premiums earned to net losses incurred was 44.6 per cent.

Actual volume of business transacted by the tariff companies, members of the Canadian Automobile Underwriters Association, was 57.8 per cent of the total business transacted in Canada by regularly licensed companies. These total figures include the experience of all companies licensed to write automobile business either by the federal insurance department at Ottawa or the Ontario insurance department. The only major exception as far as Canadian business is concerned, is the experience of Lloyds in Quebec, which is licensed to operate only in that province and for which no 1933 figures are available.

Tariff Premiums $7,609,000

Net premiums written in 1933 by member companies of the Canadian Automobile Underwriters Association were $7,609,000, according to The Post compilation. In addition to that some $4,305,000 was written by companies which write as non-tariff companies in all parts of Canada.

A further $1,236,000 of business was written by companies which operate as non-tariff companies in Ontario, Quebec and Maritime provinces where the Canadian Automobile Underwriters Association has jurisdiction, but which operate as tariff companies in the Western provinces. The earned loss ratio for this latter group of companies was 41.5 per cent, which is mid-way between the loss ratio of the purely tariff and non-tariff firms.

Comparative figures of net premiums written in 1933 and the earned loss ratio, follow:

	Net Prems. Written $	Earned Loss Ratio %
Tariff co.'s	7,608,622	39.7
Non-tariff (all Canada)	4,304,767	45.3
Other co.'s*	1,236,468	41.5
Total non-tariff	5,541,235	44.6
Total	13,149,857	41.7

* Companies which operate as non-tariff in Ontario, Quebec and the Maritimes, and tariff in the western provinces.

Most Life Applications Are Before Age Changes

Nearly 25 per cent of all applications for life insurance are signed during the month immediately preceding the change of age, this being well over twice the number signed in any other month, according to the Life Insurance Sales Research Bureau, of Hartford. Further, as might be expected, in the month after the change of age fewer applications are completed than in any other similar period, the figure in this case being only 3.2 per cent. In other months the percentage of applications which is received varies from 4.5 to 9.5 per cent.

The fact that fewer applications are signed just after the age has increased and that the number of new cases is larger progressively up to the time when another age change is about to take place has been regarded as axiomatic by insurance men. The present study gives definite figures as to the trend of this increase.

The data used in the present study are taken from 3,100 consecutive applications received by two large companies whose experience is regarded as typical for purposes of the analysis in question.

Sinking Fund Redemption $507,000 Eaton Realty 5's

Sinking fund on T. Eaton Realty Co. 5 per cent bonds, due 1949, commenced operation on April 1, 1934. The first payment of the sinking fund called for redemption of $507,000 of the original $12,000,000 issue made in 1929. This would leave outstanding $11,493,000.

The sinking fund is designed to retire the entire issue by maturity. Succeeding sinking fund installments will include interest on the bonds that have been redeemed by previous installments. Thus, the 1935 installment will call for redemption of another $507,000 plus $25,350 of bonds on account of the interest that would have been paid on the 1934 redemption of $507,000 of bonds.

Life Company Sales Show Improvement

Substantial gains in life insurance sales in March and for the first quarter of 1934 are reported by many life companies.

For instance Confederation Life Association reports new business in March to be 28 per cent above the same month a year ago. The gain in new March business for that company, in Canada alone, is placed at 51 per cent.

Manufacturers Life reports business for the first quarter of 1934 to be $2,000,000 above the same period a year ago. Increases for various divisions are reported as follows: Ontario up 24 per cent from same period a year ago; Canadian territory as a whole up 11 per cent; U. S. A. business up 72 per cent; British and foreign business up 4 per cent; business of the company as a whole up 15 per cent.

London Life reports business in force in the first quarter to be $5,466,000, more than the entire gain in 1933.

New Federal Act To Be Commended

But Amendment Might be Included to Remove Possible Discrimination Against Established Insurance Firms in Canada

Following a long line of contentious predecessors, is the new federal insurance legislation now making its stormy way through Upper and Lower Houses at Ottawa.

For a dozen years or more, federal control of insurance business in Canada has been gradually receding. The regulation of insurance it appears (as a result of successive judgments of the Privy Council at London) is a provincial rather than a federal matter and every time federal authority has been challenged, the government has emerged with a still smaller field in which to carry on a department with a 60 year record of invaluable service to its credit.

Little Chance of Compromise

Although the weight of attack against the federal statute has been largely in the hands of private groups who felt they were unfairly barred from doing business in Canada by the Ottawa regulations, provincial officials in Ontario and Quebec have for many years abetted the fight for provincial rights. The other Canadian provinces have for the most part been largely disinterested and content to let well enough alone.

The majority of companies operating in Canada have been anxious to retain a single federal control in preference to nine individual jurisdictions, but in recent years have felt increasingly uneasy regarding the obviously unsound ground upon which their federal license (or registry as it is now called) rested. Repeated attempts have been made to bring the various factions together, but ill-will, stubbornness and other human frailties have unfortunately barred the way. The prospect of a federal-provincial rapprochement seems well-nigh an impossibility under existing conditions of personnel and legal limitations.

Ottawa Making Last Stand

Thus it comes that after three years of almost continuous argument and negotiation, the federal department of justice has submitted to parliament two bills which it considers fit perfectly the latter requirement. One bill has to do with the registration of foreign companies; the other British and Canadian companies.

Previous bills have been declared ultra vires because they attempted to "regulate" the business of insurance in Canada in a way which the Privy Council has declared is the sole right of the provinces under the British North America Act. If this new legislation is again challenged and found ultra vires then it is almost certain that Ottawa will withdraw permanently from the field of insurance supervision, unless a redistribution of power by way of a B.N.A. amendment were to be achieved.

Two Points of Objection

Opposition to the new legislation centres chiefly around provisions which would allow (a) foreign mutual insurance companies and (b) the institution of British Lloyds, to be registered at Ottawa on terms which it is claimed discriminate against companies already doing business here.

In respect of foreign mutuals the objection is that although they would be required to maintain assets in Canada, these assets would not be segregated for the exclusive benefit of Canadian policyholders as is the case with assets of other foreign companies. Reason for this difference is primarily that members of the important New England Factory Mutual group which already have a very large volume of business in Canada, maintain they cannot segregate their assets in this way and that as long as this provision is retained they cannot comply with the requirements of federal registry. For over five years they have been licensed without a segregation of assets by both Ontario and Quebec.

Lloyds Clauses Most Contentious

Most important opposition, however, comes in respect of the licensing of Lloyds—a world-famous insurance institution composed of groups of underwriters who have been lciensed to do business in Quebec province since June, 1932, and for many years previous have carried risks in many parts of Canada as unlicensed insurers. The new federal statute carries a special provision in respect of Lloyds giving it special consideration in view of the peculiar character of their organization, but imposing important curbs in respect of their Canadian business. Thus, every member of Lloyds as a condition of being registered, must:

1. File a certificate approved by the chairman of Lloyds and the president of the Board of Trade, that he has complied with the requirements of the British Assurance Companies Act, plus such documents respecting solvency as the Canadian minister may require.
2. File a power of attorney with his chief agent in Canada.
3. File an undertaking that "he will at all times submit to and be bound by the jurisdiction of the Canadian courts in respect of all matters arising out of the transaction of insurance business by him or on his behalf in Canada."

Furthermore Lloyds, under its corporate seal undertakes:

1. That all premiums received for all types of business in all parts of the world shall be placed in a trust fund in accordance with the provisions of a trust deed approved by the British Board of Trade.
2. That in addition to the above, security in the form of a deposit or guarantee or both and for an amount never less than the aggregate premiums received in the last preceding year, be furnished to the satisfaction of the British Board of Trade.
3. That its accounts be audited annually in a form prescribed by the British Board of Trade, such audited statement to be furnished annually to the Canadian minister.
4. That it (Lloyds) "will recognize any final judgment against him in the courts of Canada by any policyholder in Canada as having the same force and effect as a like judgment obtained in England.

Companies Claim Unfair Discrimination

The crux of the argument against such a move is that the basis on which Lloyds is being licensed constitutes unfair discrimination against established insurance interests now doing business in Canada. It is claimed for instance that (unlike existing companies) Lloyds will be required to carry no assets in Canada for the protection of Canadian policyholders. It is further claimed that Lloyds never guarantees the obligations of a member and that the provisions as to the legal validity of a court decision in Canada is a "red herring across the trail." It is also claimed that Lloyds "being a group of Englishmen" and not a company, cannot be taxed (a statement attributed to Premier Taschereau of Quebec).

Respecting taxation it may be said that no tax difficulty has ever yet arisen in respect of groups of individuals such as Lloyds or reciprocal exchanges, that could not be surmounted and in fact for purely selfish reasons these groups are usually more than anxious to pay in some form or another, taxes at least equivalent to those levied on standard insurance companies. As to the legal validity of a court decision in Canada the evidence seems abundantly clear that the clauses in the new federal act are as binding as any lawyer could wish and seem to afford ample protection to Canadian policyholders.

Finally the protest is made (particularly by strong, influential British insurance companies in Canada) that it is an insult to them for Ottawa to say "Lloyds is so strong it does not need to make a deposit or keep assets in Canada, when we (with a much stronger corporate entity) must meet both requirements."

Basis of New Federal Statute

The action of the federal government in seeking to include these two important groups is based on a very vital consideration. For the fact is that both these groups are licensed and carrying on business in Canada in at least one province and since each province has been declared by the Privy Council to have the express right to regulate the business of insurance in Canada, they are legally operating here. If a federal law is passed without including them (and both maintain they cannot comply with the old federal basis of registry) then Ottawa is in effect declaring them to be illegally operating in this country. Such an impasse could have but one result namely a further appeal to the Privy Council and a further defeat for Ottawa. It becomes imperative therefore that Ottawa make some provision for registering these companies.

More Protection for Canadian Insurers

A deciding factor in this argument must undoubtedly be the interests of the Canadian policyholder. Are his interests furthered by registering Lloyds at Ottawa or is this a weakening of a system which has had unparalleled success in maintaining the solvency of the insurance business in this country over a great many years?

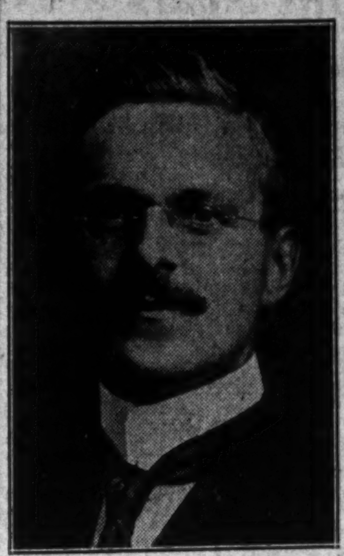
An impartial analysis of the facts would indicate that the basis under which Ottawa now proposes to register Lloyds, affords very considerably more protection to Canadian insurers than has ever been achieved before. This is particularly noticeable in respect of the legal position of a Canadian insurer at Lloyds and by reason of the fact that Canadians are to receive exactly the same protection as is now afforded by the British insurance act. This includes a very rigid audit and provision that not only must all premiums received be placed in a trust fund for the protection of all policyholders but that in addition a guarantee fund equal to the amount of the previous year's premiums, be maintained.

This may not be as excellent security as that afforded by many British companies whose entire assets are behind each contract, but it represents two to three times the protection afforded by a deposit merely on "unearned premiums," as is required in Canada for other fire and casualty companies, and it will probably be adequate security for most Canadian insurers. The alternative is that if Lloyds be not allowed to register at Ottawa, the provinces will most certainly challenge the federal law and will almost certainly be upheld. It is also very doubtful if any individual province could obtain from Lloyds, anything like the standard of requirements laid down in the new federal act.

As to the claim of established insurance interests in Canada that they are being unfairly treated, The Financial Post suggests a wise amendment to the act would be to make provision whereby any British company which meets the rigid requirements of the British Board of Trade in respect of assets, reserves, annual audit and so forth, be exempt (if it desired) from the deposit provisions of the Canadian act and from the responsibility of maintaining large sums on deposit in this country. In actual practice many companies might be content to ignore such an exemption particularly as their Canadian assets are usually considerably greater than the minimum required by law, but at least it would remove a possible unfairness without letting down barriers which are of obvious value as a safeguard to companies unable to meet the rigorous British standard.

In so far as possible, a federal insurance registry in respect of solvency is much to be desired in Canada; it is equally desirable that such registry be backed by a statute of unquestioned validity and that every possible precaution be taken to ensure the soundness and financial integrity of those companies which are registered. Then too, few will dispute the wisdom of making available to Canadian insurers, under this new federal act, all legitimate insurance institutions in sound financial condition. The new federal statute would seem to meet these requirements.

Comptroller Sun Life



J. J. COOPER, A.I.A., F.A.S.
Appointed comptroller of the Sun Life of Canada, is a native of the Isle of Man, and a graduate with high honors in mathematics of Cambridge University.

He joined the company in 1902 and in 1919 was appointed associate actuary, assuming a large share of the general direction and administrative details of the actuarial department.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

London Life

I am interested in the immediate annuity plan of the London Life for a relative who is 62 years of age.

Is the London Life sound financially and would there be any danger of them not being able to fulfill their obligations under this contract?

London Life is one of the leading life insurance companies in the Dominion. It has been carrying on business in Canada since 1874 and is registered under the federal insurance department at Ottawa.

The company is in excellent hands and seems to have made very considerable progress in recent years in spite of depressed business conditions.

As you probably know, the company is closely supervised by the federal insurance department and maintains more than adequate reserves to meet all statutory obligations. In fact, at the end of 1933, the company reports something over $11,000,000 of surplus funds in excess of these requirements. Total assets amount to over $84,500,000 over half of which are invested in first mortmortgages.

The moneys deposited for an annuity contract become part of the general assets of the company and rank equally with moneys deposited under life contracts.

Licenses Issued

Guildhall Insurance Co. has been granted a certificate of registry authorizing it to transact, in Canada, the business of insurance against loss of or damage to, property other than growing crops by hail, in addition to the classes for which it is already registered.

Northwest Casualty Co. has been granted a certificate of registry authorizing it to transact, in the provinces of British Columbia and Ontario, the business of automobile insurance (excluding insurance against loss of or damage to an automobile by fire) burglary insurance and plate glass insurance.

Globe Indemnity Co. of Canada has been granted a certificate of registry authorizing it to transact, in Canada, steam boiler insurance, in addition to the classes for which it is already registered.

Phoenix Insurance Co. has been granted a certificate of registry authorizing it to transact, in Canada, the business of fire, explosion, hail, inland transportation, sprinkler leakage, tornado, automobile (excluding insurance against loss by reason of bodily injury to the person) insurance against loss of, or damage to, property resulting from an earthquake and insurance against accidental damage to or loss of property of any

PROVIDENT INV. ASSETS $249,668

Liabilities Down in Line With Assets—Accumulated Profit $314

The Provident Investment Company shows in its annual report for 1933 total assets of $249,668 as compared with $260,524 in 1932, and the record total in 1929 of $270,580.

Liabilities to the public, however, were also down at $149,354 as compared with $160,477 in 1932, which was the highest shown since 1926.

Bonds and stocks, plus accrued interest, are shown at $142,294. Real estate and buildings, less depreciation, are shown at $84,870 and mortgages and agreements of sale at $12,489. Cash stands at $2,772.

Of the liabilities to the public the largest item is $83,602 bank advances, and the next $61,803 for mortgages payable.

There is no income statement but profit and loss is still shown at $314 and capital stock at $100,000. This compares with the profit and loss debit balance of $48 at the end of 1932, $1,751 at the end of 1930 and $914 in addition to a reserve of $10,000 at the end of 1929.

At the end of 1926 the reserve had been $13,520 and the profit and loss $2,057.

STEWART J. ALLEN has been appointed Toronto district manager for the Mutual Relief Life. M. HARTLEY has been appointed Toronto manager of the same company.

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To pay to your estate, should you not live to the age of 65, a minimum amount of the whole of the deposits you have made.

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Ask your nearest Sun Life representative for particulars of the RETIREMENT INCOME plan.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

Occidental Life Has $750,000 Canadian Assets

Life insurance written last year by Occidental Life Insurance Co. was $48,105,486 according to the company's 28th annual report.

The company's business in Canada in 1933 exceeded $1,000,000. Of total admitted assets of $23,439,817 over $750,000 is in Canada. All of the company's assets in Canada consist of government and municipal bonds and cash. None of the bonds or debentures held by the company are in default as to principal or interest.

Canadian head office is in Waterloo, and the general manager for Canada, S. C. Tweed.

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The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00

Independent Order of Foresters

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PROTECTION PLUS PROFIT • SAVINGS WITH SECURITY

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THE GREAT-WEST LIFE ASSURANCE COMPANY

SAVINGS WITH SECURITY • PROTECTION PLUS PROFIT

INTER. PAPER CO. REDUCE LOSSES OVER PAST YEAR

Volume of Sales Register Gain of $6,261,711 in 1933

From Our Own Correspondent

MONTREAL.—International Paper Co., principal subsidiary of International Paper and Power Co. and controlling Canadian International Paper, reports consolidated gross sales in 1933 of $79,758,774. This compares with $73,497,063 for 1932, an increase of $6,261,711.

After all charges, including depreciation and depletion, the company's net loss for the year amounted to $4,430,528. In addition an amount of $1,865,080 was transferred to reserve to apply against an investment in Newsprint Bond and Share Corp. (controlling Bathurst Power and Paper Co.), so that total reduction of surplus for the year amounted to $6,295,608.

Sales Volume Larger

After further declines in sales of almost all grades of paper during the first quarter of 1933, volume of consumption started to increase. For the full year production of paper and pulp for sale totalled 1,516,334 tons compared with 1,320,753 tons in 1932. Prices for most grades except newsprint — which declined $5 a ton effective April 1, 1933 — have also shown a rising trend although average pulp and paper price levels are still well below 1931, according to the statement made to the shareholders by A. R. Graustein, president.

Particulars of the income account for the past two years follow:

	1933 $	1932 $
Gross sales	79,758,774	73,497,063
Expenses, etc.	74,155,511	72,881,762
Profit on bonds red.	913,937	642,985
Net revenue	6,517,200	1,258,286
Less: Interest	5,656,594	6,186,952
Depreciation	3,557,830	3,499,545
Depletion	766,050	659,185
Amort. of disc.	448,639	446,407
Divds. sub.	12,500	12,500
Income tax res.	......	45,000
Divds. acc. sub.	506,116	......
Net loss	4,430,528	9,591,253
Add: Addit. reserves	1,865,080	......
Previous surplus	3,181,158	12,772,411
Deficit forward	3,114,450	3,181,158

Notes Payable Less

In the condensed report to shareholders, Archibald R. Graustein, president, had the following to say in part:

"Consolidated notes payable were reduced by $2,308,104 and funded debt by $2,753,332, a total reduction of $5,061,436.

"At December 31, 1933, consolidated current assets of International Paper Company and subsidiaries amounted to $41,808,374 and consolidated current liabilities (including $16,040,061 of notes payable) to $22,845,816. Of the notes payable $1,000,000 was repaid in February, 1934, and an additional $1,000,000 is scheduled for repayment next month."

GATINEAU POWER INCOME IN 1933 HOLDS UP WELL

Kilowatt Hour Output Sets New Record for Company

From Our Own Correspondent

MONTREAL.—Gatineau Power Co. and subsidiaries report operating profits in 1933 on a larger basis than in 1932, but after taking into account exchange transactions and profit on securities redeemed, the profit and loss account shows a total revenue of $9,353,887, compared with $9,629,856 in 1932.

A further increase in deliveries under primary power contracts took place during the year, the total rising from 478,627 h.p., to 485,076 h.p.

Output Sets Record

The consolidated peak load of 656,286 h.p., established in 1933 was somewhat lower than the consolidated peak load of 660,987 h.p. in 1932, but there was a substantial increase in energy production. The total output, including a small amount of purchased power, amounted to 2,698,984,000 kw.h., the largest in the corporation's history, and comparing with 2,537,413,000 kw.h. in 1932.

Details of the profit and loss account for the past two years compare as follows:

	1933 $	1932 $
Gross revenue	9,336,397	9,232,636
Add: Profit on exch.	......	162,080
Prof. bonds red.	241,034	235,140
Less: Loss on exch.	223,544	......
Gross earnings	9,553,887	9,629,856
Less: Expenses	1,154,371	1,233,358
Net earnings	8,199,516	8,396,498
Less: Int. on bonds	3,521,384	3,540,971
Int. on debent.	1,409,694	1,402,137
Deprec. & deplet.	641,443	628,454
Discount on debt.	352,000	356,118
Divds. on sub.	36,105	36,105
Net profit	2,238,891	2,432,713
Less: Pfd. divds.	2,125,000	1,500,000
Balance	113,891	932,713
Previous balance	2,023,974	1,091,261
Carried forward	2,137,865	2,023,974

Reduction in Debt

Gatineau Power's consolidated balance sheet at the end of 1933 showed assets totalling $141,124,267 compared with $141,203,488 in 1932. No new financing was undertaken during the year and reductions totalling $725,411 were effected in the funded debt which now stands at $88,312,388.

The amount due to Canadian Hydro-Electric Corp. was reduced during the year from $5,391,490 to $4,804,723.

No change has occurred in the issued capital stock, while reserves for depreciation, etc., were increased during the year to the extent shown in the income account.

Among assets of the company, property account shows a minor increase at $132,697,868. Current assets are somewhat lower, due to a smaller amount of cash on hand.

Particulars of Income

Following is the detailed account of the company's income in 1933, with comparative figures for 1932:

	1933 $	1932 $
Operating revenue:		
Ontario Hydro	4,572,697	4,487,732
Other consumers	449,393	424,079
Retail sales	824,742	859,534
Mills of Inter. Paper:		
Motive power	1,965,335	1,960,458
Generat. of steam	833,801	891,225
Other wholesale	634,173	531,891
Other income:		
Miscellaneous	......	33,603
Interest income	7,967	17,781
Dividend income	18,240	18,240
Profits on merchand. sales	6,943	427
Miscellaneous	23,606	7,714
Total revenue	9,336,397	9,232,636
Loss on exch. (net)	223,544	†162,080
Profit on bonds and debent. redeemed	241,034	235,140
Total	9,353,887	9,629,856

†Profit.

Newsprint Output Nears Record Level Last Month

Canadian Mills Operated on Larger Basis in March Than in Any Month Since October, 1930

From Our Own Correspondent

MONTREAL.—Canadian Newsprint production in March at 210,129 tons came within 8,000 tons of equalling the all-time record output for that month, while it is only 20 per cent less than the greatest monthly production ever reported for the industry, namely, 252,000 tons in November, 1929. Comparison of last month's output with that for March, 1933, has no particular significance, as the bank holiday in the United States during the latter month seriously affected the volume of advertising and, in turn, consumption of newsprint.

Since June last year, the demand for newsprint has steadily moved forward, with the output last month being the greatest of any month since October, 1930. This record of a 40 months' period has been accomplished without any particular increase in stocks on hand, indicating that demand has kept pace with output.

Production in American mills last month, according to returns issued by the Newsprint Service Bureau, amounted to 84,993 tons. For the second time in the last 20 years the March output in the United States was below 100,000 tons. The trend of output in that country, however, is in line with the trend noted over the past several years — steadily downward.

The two Newfoundland mills produced 24,778 tons in March, a gain of approximately 3,300 tons over the same month last year. Little change is noted in the production of newsprint in Mexico, the output of 1,287 tons being a little less than 200 tons under that reported for the same month last year.

Quarterly Returns Higher

For the first quarter of 1933, Canadian mills produced 472,946 tons. This compares with 403,533 tons for the same months last year. As already pointed out, comparisons with last year's returns must be considered in conjunction with the bank holiday and its effect on advertising.

For the first quarter in 1934, mills in the United States turned out 241,589 tons. This compares with 218,095 tons for the corresponding period last year.

Newfoundland's production for the first three months of 1934 amounted to 72,293 tons or 231 tons more than reported in 1932.

Shipments of newsprint from Canadian and American mills during the first quarter of this year have kept pace with production. This is evidenced by the fact that stocks of newsprint on hand in Canada and United States on April 1, 1934, totalled 61,603 tons, a drop of about 1,000 tons from that reported on March 1, and comparing with 73,877 tons for April 1, 1933.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Own Correspondent

Hudson Bay Rates Down

UNOFFICIAL but reliable reports from London are to the effect that there will be a slight reduction in marine insurance on hulls during the 1934 season on the Hudson Bay route. The reduction will be rather difficult to work out but is said to be worth while. Hitherto hull insurance has been figured in the value of the ship, but a change is to be made and the insurance will be assessed on a tonnage basis. It seems that the cost per ton varies with the size of the ship and by assessing insurance on a tonnage basis a reduction will be given to the small tramps of the type which hitherto have used the Bay route.

* * *

But St. Lawrence May Rise

BUT of greater interest is the report that Lloyds have been alarmed by navigation conditions in the St. Lawrence ship channel and that the underwriters are seriously considering an advance in St. Lawrence insurance rates until such time as minimum water levels of say 30 feet are maintained throughout the navigation season. In recent years low levels on the St. Lawrence have been a source of acute anxiety and last fall, owing to an untimely blizzard, several ships were either lost or badly damaged.

* * *

Butter Dump Duty

BY PLACING an exchange dump duty against New Zealand butter, the government has temporarily relieved Canadian dairy farmers of the menace of large scale imports and declining prices. The Order-in-Council imposing the currency dump declares that the New Zealand pound shall be valued at par—$4.86 2/3—instead of the current value of $4.11. This can be done without abrogating the Canada-New Zealand trade treaty, although it is realized at Ottawa that the Antipodean Dominion will resent the action. This dump is equivalent to about three cents per lb. which, with the treaty duty of five cents per lb. gives a total protection to Canadian dairy farmers of eight cents per lb. This is believed to be adequate to protect existing price levels until such time as the new butter crop comes on the market.

* * *

Clothes For Unemployed

A NEW phase of Federal unemployment relief is disclosed in recent orders-in-council. With about 30,000 unemployed single men working at Dominion camps, the government is in the market to purchase clothing of various kinds. In recent weeks orders for shirts and trousers have been placed with W. Robinson and Sons, Ltd., and the Dominion Textile Company, totalling $19,624.57; nightshirts to the value of $7,350 are being bought from Messrs. Houde, Laroche and Cie, of St. Croix, Quebec; 20,000 pairs of boots ($65,508) have been ordered from various manufacturers and $73,701.80 is being spent on tents.

* * *

Watch French Tariff Antics

THE Dominion government is following closely the kaleidoscopic tariff policy now being pursued by the French government. In addition to a very high tariff, an import license tax has been placed on cheese. A long list of new quotas has been announced, covering aluminum, copper, lead, zinc, nickel, stockings and socks, agricultural machinery, writing machines, wire and cable, bicycles, rubber goods and felts.

Instead of dividing the market among the various countries which export to France, the new quotas are to be filled under an import license system. Licenses, it is understood, will be issued according to imports from all countries in the year 1932. Canadian exporters, it is believed, should make certain that licenses are available before shipping to their French clients.

* * *

Western Provinces Need Money

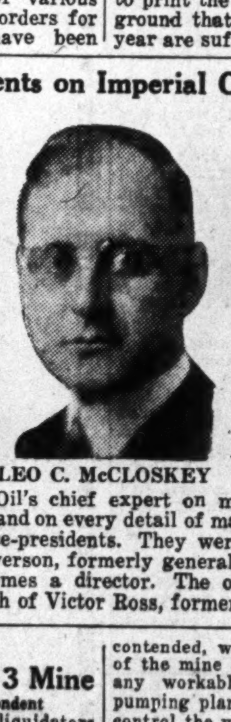
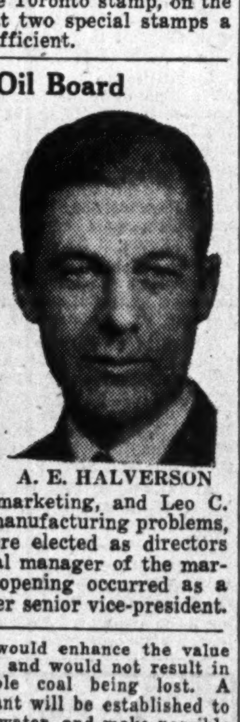
WHILE the conference between the Dominion government and the western provinces regarding their financial requirements for the current year has not yet been held, some of the western representatives are at the capital. It appears that western "requirements" are likely to be substantial. Premier Pattullo has not yet been heard from, but the Anderson government, it is understood, is putting in a request for $9,000,000. The sum is divided about evenly between unemployment relief and road construction.

* * *

Issue New Stamps

THE Post Office department has decided to issue two commemorative stamps this year and is considering a third. One of them, a blue three-cent stamp, will commemorate the 400th anniversary of the landing of Jacques Cartier. The design will show one of Cartier's ships under full sail. The other will commemorate the landing in Canada of the Empire Loyalists, 150 years ago. The denomination and color of this stamp has not yet been decided. Strong recommendations have been made for the printing of a third stamp commemorating the centenary of Toronto. The department will almost certainly decline to print the Toronto stamp, on the ground that two special stamps a year are sufficient.

Appointments on Imperial Oil Board

JOHN McNEIL — LEO C. McCLOSKEY — A. E. HALVERSON

John McNeil, Imperial Oil's chief expert on marketing, and Leo C. McCloskey, who has his hand on every detail of manufacturing problems, have been appointed vice-presidents. They were elected as directors last summer. A. E. Halverson, formerly general manager of the marketing department, becomes a director. The opening occurred as a result of the sudden death of Victor Ross, former senior vice-president.

Acadia Coal Co. Restricting No. 3 Mine

From Our Own Correspondent

MONTREAL.—Receiver-liquidators of the Nova Scotia Steel and Coal Co. have received authority from the Supreme Court of Nova Scotia to partially abandon Acadia No. 3 mine at Thorburn.

Permission was accorded in a decision handed down by the full bench on an application made by the receiver-liquidators. They asked that the present workings be allowed to flood, but that the water's rise be halted before it reached the mine's upper section. Such a course, it was contended, would enhance the value of the mine and would not result in any workable coal being lost. A pumping plant will be established to control the water, and make possible extraction of coal from the upper seams at some later time.

Calgary Sells Its Bulls

Calgary's recent 34th annual bull sale witnessed the disposal of 678 animals for $79,460 cash, or an average of $117.90, which was $7.90 per head all round better than in 1933. Some Herefords brought as high as $900 each. The results are accepted as proofs that the West is producing fine breeding stock.

B.C. CANNOT SOLVE MONEY PROBLEMS IN SPITE OF S. P. A.

Premier Goes to Ottawa for Conference With Bennett

From Our Own Correspondent

VANCOUVER. — Even after passing its sweeping Special Powers Act, which at first was interpreted as tantamount to establishing a minor dictatorship in British Columbia, the provincial Government still finds itself powerless to solve its financial problems until Ottawa has been consulted.

Premier T. D. Pattullo will head a group of his ministers to the federal capital for a conference on April 23 with representatives of other provinces and the federal administration, and in the meantime he is marking time.

Bennett Non-committal

Decision of Prime Minister Bennett not to interfere with the Special Powers Act at this juncture left two reactions in the provincial capital. One was a feeling of relief that the Federal Government was not going to cause any embarrassment by declaring the provincial measure invalid because of violation of the British North America Act.

The other effect was one of disappointment inasmuch as, if the Ottawa Government had shown open hostility to the S. P. A., the Pattullo Government could declare that it had done all it could; that the Federal Government had tied its hands and presented an insurmountable barrier to recovery.

Pattullo Co-operates

Premier Pattullo, however, in all his public statements expresses a keen desire to co-operate with Premier Bennett. Without so much as saying so, Mr. Pattullo unquestionably is more sympathetic with Mr. Bennett than he is with the federal leader of his own party, Mr. Mackenzie King, because the latter has been outspoken in his opposition to the S. P. A. The political consequences of this cleavage will be worth watching.

FIND FEDERAL ACT DOES NOT CLARIFY POOLING POWERS

B. C. Authorities Told That Provincial Act Cannot Amplify

From Our Own Correspondent

VANCOUVER.—Although fruit growing and dairy interests of British Columbia have endorsed the federal agricultural marketing law, considerable doubt has arisen among members of the provincial Government as to the actual effects of the measure. Dr. K. C. McDonald, minister of agriculture, after studying the act, expresses the opinion that the provincial Government will have no power to invoke some important clauses of the law, especially with regard to the pooling system.

The federal proposals seemed quite clear at first, but as Government legal advisors continued their study they found several apparent discrepancies. As a result of this, representatives of the provincial Government when they go to Ottawa in the near future will confer with federal officials in an effort to clarify the doubtful clauses so as to make the measure operative.

Question of Pooling

The vital question to the dairy and fruit industries is whether the federal act allows pooling of returns from agricultural products. There is said to be a good deal of confusion on this point.

Until recently provincial officials believed that the actual wording of the federal law did not matter so much. They thought that if pooling did not happen to be specified, these powers could be invoked by the provincial Government under its own marketing act or the Special Powers Act.

Dr. McDonald, however, has been advised that the actual wording does make a very great deal of difference, and he has so informed the leaders of the co-operative movement throughout the province. If the federal law leaves a gap, the provincial Government cannot fill it. The provincial Government, he points out, cannot elaborate the federal act, or graft new principles to it by provincial ordinance. All the provincial authorities can do is give effect to the federal measure.

In addition to the members of the provincial cabinet who are going to Ottawa, representatives of the farm industries will also go. They want to find out definitely whether producers are to share profits and losses. The levy plan has been opposed strenuously in some quarters. The only point that seems definite is that the administrative board can fix prices and control sales.

BEACH FOUNDRY BANK LOANS DOWN

Company Working Capital Strengthened Greatly in 1933

Beach Foundry, Ltd., manufacturers of electric and gas ranges, stoves, furnaces and heaters, showed an improvement in the working capital position in 1933 in view of the fact that instead of a deficiency of $20,804 at the end of 1932, there was a working capital of $72,243 at the end of 1933.

Current assets at the end of 1933 were $208,082 as compared with $233,458 a year earlier. The drop represented a decline in cash from $113,042 to $73,533 and an increase in inventory from $120,416 to $134,529. There was a reserve of $25,000 against inventories at the end of 1932 but none at the end of 1933.

The decline in current liabilities from $254,262 to $135,839 had as the main cause, the elimination of bank advances of $51,092, a drop in bills payable from $104,069 to $84,091 and the elimination of the following two items: $18,970, bond interest due and unpaid; and $31,000, bonds due for redemption. Accounts payable went up in the period from $11,356 to $21,092, and amounts owing Industrial Acceptance Corporation dropped from $24,312 to $9,982.

The company has bond interest payable on June 1, 1935, of $5,420. Mortgages payable during the year went up from $240,000 to $271,000.

Bad debts reserve dropped from $40,000 to $15,000 and depreciation reserve went up from $213,580 to $231,241.

Appointments in Premier Trust Co.

G. E. BUCHANAN — J. S. HAXTON

Mr. Buchanan has been appointed Toronto manager of the Premier Trust Co., which has purchased and merged the Imperial Trusts Co. He was formerly treasurer of the Union Trust Co., and was 10 years with the Bank of Nova Scotia. Mr. Haxton, who was formerly with the Imperial Trusts Co., which he joined in 1919, has been appointed manager of the estates department of the Premier Trust Co.

Mass Buying Enquiry

Plan Cleaning Up Livestock Evidence This Week and Then Surveying Tobacco Situation — Exhaustive Plan for Livestock Suggested

Individual members of the Mass Buying Committee may not know exactly what is going on or what progress is being made but nevertheless the probe is being conducted according to plan, The Financial Post learns. It would appear that Mr. Stevens has no doubt in which direction he is going and what he wishes to accomplish.

It is hoped to finish with the livestock situation this week, hearing western provincial authorities and then to start next week with a speedy survey of the whole tobacco situation both as it affects growers and manufacturers. Representatives of the farmers, provincial appointees and manufacturers will give evidence.

Summary of Evidence

The Financial Post continues its chronological summary of proceedings before the committee:

H. P. Kennedy, president of the Edmonton Stock Yards and the Union Stock Yards, Saskatoon, a member of the commission firm of H. P. Kennedy & Co., Toronto, was the witness before the committee on April 10.

Control Recommendations

Mr. Kennedy read a brief surveying the entire market situation of all kinds of livestock throughout Canada and made a number of recommendations as follows:

1. The creation of a livestock marketing board to control the entire marketing of livestock from the farmers to the final market and to protect the interests of both the farmer and the consumer. This board to have power to fix a minimum price on best grades of livestock which would give the farmers a minimum wage.

2. The board could arrange for continuity of export shipments which would tend to stabilize domestic prices and also ensure that only cattle of the standard type required in Great Britain be exported; the same regulations to apply to bacon hogs.

3. That all buyers of livestock within a radius of 20 miles of established stock yards purchase their supplies in open competition on public markets. This regulation does not apply to farmers and ranch men who wish to export their cattle direct to markets outside of Canada.

4. That all commission firms owning licenses be required to sell all their livestock in the public market.

5. That commission firms and cooperative salesmen representing the producers be organized as a separate body that they might be able to function in the interests of the producers without their powers being nullified by other members of the livestock exchange who control the majority vote, and are not representing the interests of the livestock producers.

6. (a) That where packing plants are at present established in cities where no stock yards exist, the same regulations as apply to stock yard companies and commission companies as to providing facilities for the competitive buying and selling of livestock, weighing, publishing of receipts and prices at the time of purchase, be applied.

(b) That all truckers handling farmers' funds and all export agents be bonded to the Dominion government, the same as livestock commission salesmen.

7. That sale of all livestock by public auction be made optional, and when put into operation in any market that it be only necessary to be approved by stock yard proprietors and commission salesmen representing the producers.

Direct Shipments Reduce Price

Witness was emphatic in stating that he believed that had all livestock moved in Canada gone direct to the stock yards instead of part to the packing plants, price levels would have been at least $1 per cwt. higher on all classes during 1933.

Witness filed an exhibit showing the numbers of different types of livestock sent to stock yards and direct to packing houses.

Referring to the system used in all stock yards in Canada with the exception of Montreal of selling hogs on a fixed differential basis and not according to grade, witness produced evidence purporting to show that the average prices received in Montreal were considerably higher than in other markets and felt that this would be the case in all markets if packers could be forced to purchase their hogs by grades instead of by lot as at present.

In 1933, witness stated that a total of over 1,000,000 hogs were marketed in Alberta and the average price, allowing for freight and handling charges from Edmonton and Calgary to Montreal, was nearly 6½ cents a pound less than that received in the latter market. By this calculation he showed that Alberta farmers lost $726,627 by selling under the fixed differential system as against Montreal's system of selling by grades.

Makes Plea for Farmers

Witness stated that in the Toronto market, 70 per cent of hogs went direct to the packing plants and it was impracticable for the stock yards to maintain the price, handling only 30 per cent of supplies. He stated that the price was fixed at the packing plant for the 70 per cent and packers were not forced to buy as they would be if a larger percentage was handled through the stock yards.

Witness quoted the packers statement that they sold these products at as high a price as they could sell it, then deducted profit and charges in processing and the balance was given to the farmer for the live animal. He urged that the situation be reversed and that a fair price be given the farmer for his product. It would be up to the marketing board to fix this system, he said.

Mr. Kennedy completed his evidence on April 11.

Urges Sale by Grades

Gordon Oswin, salesman for the United Farmers Co-operative in Toronto, was the next witness on April 11. He stated that he was engaged entirely in the selling of hogs. Witness felt that the fixed differential should be eliminated and all hogs sold by grades. He was also in favor of all stock being handled through the yards and elimination of the sales direct to the packing houses. Witness stated that there was very little competition among buyers on the Toronto stock yards owing to the fact that most wholesalers and large retailers who had formerly been in the market themselves were now buying from the packers.

Questioned, he said that he felt that independents had been forced off the market so that the packers could buy as cheaply as possible. However, as the retailers and wholesalers seemed satisfied, they were obtaining their merchandise at prices at least comparable to what they could do by buying stock themselves.

Witness explained the establishment of receiving stations at various sections of the city to accommodate truckers bringing goods to market. These receiving stations were run by the packing houses and effectively kept the stock out of the yards. Witness explained that truckers had very seldom any interest in the load they were carrying other than getting to market as quickly as possible and by going to these receiving stations they could save an appreciable amount of time. They were paid by the farmer on a flat rate basis.

Witness stated up until 1927 before Canada Packers amalgamated there were Dunns, the Canada Packing Co. and William Davis Co. and other buyers on the market and there was plenty of competition. The combine had stopped that, however.

Unsound Competition

Oswald Freer, livestock salesman on the Winnipeg market and connected with the United Stockmen Limited, was the next witness on April 11.

Witness explained that the whole system of stock yards and packing plants had been built up in an endeavor to give the farmer and the industry the cheapest and most efficient method of marketing and selling livestock that was possible However, he said, increasing competition and in recent years the demand for increased services provided during years when livestock prices were high had resulted in losses all the way around.

Referring to truck competition, he stated that while the farmer is the immediate beneficiary through cut rate prices for transport by truck the fact that the stock is kept off the market reduces the price there and in the long run the farmer is the loser.

Witness pointed out that hogs brought in direct by truck would lose about ten pounds per animal and when sold direct to the packer showed this loss. On the other hand, if these hogs were put in the stock yard and fed and watered they would make up this ten pounds and the gain would represent an amount sufficient to pay all stock yard charges and leave a fair balance as profits to the farmer.

Packers Hold Whip Hand

Witness stated that truckers ought not to have anything to do with the selling of livestock as in almost every case they were not expert salesmen or did not have a knowledge of animals. Thus, the buyer in the packing plant was at a distinct advantage.

Witness stated that at a meeting of livestock exchange members in Winnipeg, the following resolution was passed:

That the findings of this meeting be brought to the attention of the Departments of Agriculture of the other Western provinces, with the hope that they may arrange for similar meetings being held in their respective provinces and general accord be found with the action suggested here in the interest of the livestock industry as a whole.

And that should such accord be attained, that the Eastern provincial and Dominion authorities be approached in the hope that there be formed a national organization for the promotion of the livestock industry and that the function of such a Dominion-wide organization shall be:

(a) The distribution of authoritative information to farmers as to the type of all species of livestock required to comply with the requirements of our various export markets;

(b) The collection of information as to the available market requirements and processing, packing, etc., of livestock products for the information of the packing interests;

(c) To lend every effort possible to the securing of adequate markets.

Bank of Montreal Closing Mexico Branch

From Our Own Correspondent

MONTREAL.—The Bank of Montreal announces that the local branch in Mexico City will be closed at the end of the month. The closing of this branch is in keeping with the present policy of the bank to confine its branches outside of Canada to those in Newfoundland, England, the United States and France.

STOP & SHOP SALES, PROFITS HAVE GOOD GAIN

In Current Year Sales Show Further Improvement

With sales in the year ended February 24, 1934, 5.37 per cent ahead of 1932, Stop & Shop, Ltd., had an operating profit of $143,956 as compared with $105,211 in the preceding year. After depreciation, interest and taxes, and including profit on bonds redeemed, this enabled the company to increase its surplus from $23,971 to $75,914, a gain of $51,943. R. H. Hommel, president, regards the situation in 1934 as improving; in the first four weeks of the present fiscal year sales were 10.72 per cent ahead of the same period in 1933. New stores are gradually being opened.

Cons. Income & Surplus Account Years Ended

	Feb. 24, 1934 $	Feb. 25, 1933 $
Net earnings	143,956	105,211
Less: Depreciation	52,216	50,020
Bond interest	39,548	41,110
Income tax	6,525	1,760
Net profit	45,667	12,321
Add: Prev. surplus	23,972	......
Prof. on bonds red.	6,275	11,650
Balance forward	75,914	23,971

Working capital showed considerable improvement as shown by the following table:

Working Capital

	1934 $	1933 $
Current assets	601,074	509,641
Current liabs.	251,765	233,375
Working capital	349,309	276,266
Ratio	2.38—1	2.17—1

Inventories Up, Bonds Down

As a natural result of the greater business done cash dropped from $145,844 to $97,087 and inventory went up from $319,153 to $463,489 and accounts receivable from $22,594 to $40,168. Accounts payable for the same reason went up from $217,269 to $229,772.

Bonded indebtedness was reduced by $22,000 to $644,500. These bonds have an equity in net current assets of $349,309 and the remaining $295,191 are covered by net tangible assets of $1,021,517. The remaining $726,326 apply against $555,550 par value of 6 per cent cumulative participating convertible preference shares, $58,328 preference dividends accrued since July 4, 1932, and leave $112,448 remaining non-current fixed assets, or $2.28 a share, as equity for 49,208 no par value common shares. The common shares increased during the year from 46,142 to 49,208 shares.

Trade paper under discount on February 24, 1934, was $15,000.

B. C. Holds Milk Record

British Columbia held the record of milk production per cow in 1933 by a large margin, according to the Monthly Bulletin of Agricultural Statistics. The average for Canada was 13.03; for British Columbia, 18.29; for Alberta, 15.24; Ontario, 13.50; Nova Scotia, 12.80; Saskatchewan, 12.32; Manitoba 11.87; Prince Edward Island 11.59; New Brunswick, 11.22 and Quebec 10.46.

QUEBEC POWER PROFITS HIGHER FIRST QUARTER

Surplus Before Depreciation Shows Increase Over 1933 Returns

From Our Own Correspondent

MONTREAL.—Gross revenue of Quebec Power Co., controlled by Shawinigan Water and Power Co., amounted to $972,823 ofr the first quarter of 1934. This compares with $968,933 during the first three months of last year.

After providing for fixed charges, operating expenses, taxes and other prior charges, there was a balance of $265,707 for the past three months before depreciation and income tax. This was approximately $32,500 greater than for the corresponding period last year.

Show Larger Surplus

The consolidated statement of earnings and expenses of Quebec Power Co. and its subsidiaries, including Quebec Railway, Light and Power Co., for the first quarter of 1934 and 1933 follows. It should be noted there has been a temporary increase in the earnings of the Montmorency Division of the railway, which is reflected in the accounts for the current quarter.

Three Months Ended March 31

	1934 $	1933 $
Gross revenue	972,823	968,933
Oper., taxes & other expenses	551,570	571,462
Exch. on bond int.	3,413	17,734
Fixed charges	152,133	146,695
Surplus before deprec. & income tax	265,707	233,043

Obituary

William Hanson, of Montreal, prominent Canadian financier, has died at the age of 84 years. Mr. Hanson was vice-president of Hanson Bros. Inc., investment bankers; a partner of the brokerage firm of Hansons and Macaulay, members of the Montreal Stock Exchange, and a director of a number of leading Canadian business corporations. In the latter category, he held the office of vice-president of Belding-Corticelli Ltd.; a director of Dominion Woollens and Worsteds; Payne Mines, Ltd., etc. Before entering the investment banking business, Mr. Hanson was chief agent for the Dominion of Canada of the Travelers Insurance Co., of Hartford, Conn.

Metal Prices

New York—April 17—
Copper: Electrolytic spot and future, 8½c.
Silver: 45⅛c.
London—April 17—
(Long Ton)—
Copper: Electrolytic spot, £36; future, £36 10s.
Standard spot, £33 2s 6d; future £33 7s 6d.
Tin: Spot, £238 12s 6d; future, £237 2s 6d.
Lead: Spot, £11 10s; future, £11 15s.
Zinc: Spot, £15; future, £15 5s.
Silver: 19⅝d. per ounce.
Gold: 134s 8½d.
Canada—April 17—
Gold: $34.62.

10 STOCKS FOR THE NEXT BULL MARKET

Many conservative authorities believe that we are now in the early stages of a genuine bull market. The general outlook for improved business not only in this country but throughout the world is better than it has been in the past four years. Well informed investors are acting accordingly.

Important To Every Investor

For many months THE FINANCIAL WORLD has been publishing from time to time analyses of undervalued securities to be held for the longer term recovery. Investors who acted upon our advice are now in a position to profit substantially. However, we advise continued retention of sound stocks. For those readers who have not yet prepared themselves for the further upturn in business and earnings, we have just published an unusual market study entitled "10 Stocks For The Next Bull Market." No investor should miss this timely analysis because it contains a well diversified list of stocks that should give a very good account of themselves in the next year.

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We are now in a period where the shrewd investor who keeps well informed and looks ahead can make highly advantageous changes in his investment program. It is a time to get rid of doubtful securities and to replace them with those of more substantial promise of betterment. If you accept our introductory trial offer before May 15th, we shall give you without extra charge personal advice on any five securities you mention.

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B. C. PACKERS HAD 1933 LOSS BANK LOANS UP

Cheaper Grades of Fish Selling Below Value, Says President

CUTTING COSTS

Need Price Rise to Make Profits and Remedy Working Capital Deficiency

Net earnings of British Columbia Packers in the year ended February 28, 1934, were $108,290 as compared with $81,022 in the preceding year. After depreciation, debenture interest and taxes, the net loss was $94,818 as compared with a loss of $287,219 in the preceding year. This brought the accumulated deficit to $1,946,979 and this amount was increased to $3,380,542 by further write-offs on property and reserve for contingencies and loss on sale of shares. The working capital deficiency was not greatly improved in the year under review.

Consolidated Income and Surplus Account, Years Ended Feb. 28

	1934 $	1933 $
Net earnings	108,290	81,022
Less: Depreciation	168,027	345,596
Lease exp. w/o	15,057	......
Debenture interest	19,058	21,893
Income tax	966	752
Net loss	94,818	287,219
Add: Prev. deficit	1,946,979	1,659,760
Less Res. for conting.	87,126	......
Add w/o properties	1,402,219	......
Prov. for loss on sale of shs.	23,652	......
Deficit car. forward	3,380,542	1,946,979

Abandoning Unusual Properties

H. R. MacMillan, president, in a report to shareholders states that the pack in 1933 was 440,092 cases as compared with 359,153 cases in 1932 and 105,546 cases in 1931. The sockeye pack was down because of the partial failure on the Skeena River. The sales price of the company's products has increased somewhat but the cost of raw fish has increased more rapidly. Mr. MacMillan reports that the continued low sale price of the cheaper grades has increased their consumption. The future profits of the company depend considerably upon a rise in sale price of the cheaper grades which are still selling below value and below the level of profitable production.

The president also reports that the company has made important progress in its policy of reducing non-contributing overhead expenses. The property has been carefully scrutinized with the result that it has been found possible, by abandoning certain properties which have not been used for several years, to reduce operating costs without imperiling any of the company's interests. Operating expenses have been kept at a minimum. Plants and equipment have been maintained in operating condition with the risk that certain heavier maintenance expenses will have to be met, which, it is hoped, may be met from possible future greater revenue.

Working Capita

	1933 $	1932 $
Current assets	1,300,846	1,214,736
Current liabilities	1,508,429	1,495,736
Working capital	*207,583	*281,000
Ratio	0.86—1	0.81—1

* Excess of current liabilities over current assets.

Inventories Higher

Increase in current assets was the net result of the following changes in individual items: Cash down from $4,677 to $2,319; bills and accounts receivable, including advances to fishermen less reserve, down from $119,862 to $90,429; holdings of canned salmon and pilchards went up during the year from $991,064 to $1,062,881; store merchandise, new nets, labels and supplies dropped from $93,359 to $92,437; amount expended on present year's pack went up from $5,774 to $52,779.

Increase in current liabilities was mainly due to an increase of secured bank loans of $590,000 to $676,000 and to accounts payable going up from $82,981 to $108,938 even though bills payable with accrued interest dropped from $822,755 to $723,492. The first and third items, that is, the bank loans and the bills payable, are secured under Section 88 of the Bank Act and by deposit of $2,752,616 of debentures of subsidiary companies.

No Equity for Common

A good deal of water was squeezed out of the balance sheet during the year. The balance sheet valuation of lands, buildings and equipment dropped from $8,979,183 to $5,098,045, or from $6,412,324 to $4,796,851 after giving due effect to a reduction in the depreciation reserve from $2,566,859 to $2,161,375 and adding $215,434 for nets and fishing equipment and $1,644,747 for land, leases, licenses, and goodwill. A balance sheet note in explanation of this item says that the capital asset values are derived from appraisal or book figures and do not purport to be realizable or present replacement values. It may be said that buildings, plant, machinery, etc., at replacement values as appraised in 1929, with additions at cost, total $4,565,936 before reserves, and the floating equipment at book values is shown at $532,108.

The funded debt of the subsidiaries, that is, the 6% debentures of Wallace Fisheries dropped from $334,000 to $298,000. This is covered by net non-current tangible assets of $4,589,803, leaving $4,281,803 to cover $3,940,500 in 7% preference cumulative stock of $100 par value, and an amount of $341,303 or $1.23 a share, equity for 277,662 no par value common shares if no account is taken of $942,426, accrued dividends on the preference shares since October 1, 1930. Deduction of that amount will leave no equity for the common stock at all.

Collateral deposited with the bank to support banking and other liabilities amounted to $2,752,616 par value of the taxes of subsidiaries.

Bills under discount make a contingent liability of $192,988 and £3,176. Number of common shares outstanding increased during the year from 277,557 shares to 277,662 shares no par value.

Insufficient Depreciation

In certifying the correctness of the consolidated balance sheet, the auditors do so subject to the fact that no provision has been made for depreciation or replacement of properties of subsidiary companies, leased by the British Columbia Packers from July 1, 1928, to February 29, 1932, except the sum of $43,322. About 50 per cent of the normal depreciation requirements on the basis of balance sheet values of the depreciable assets, has been provided during the year under review. Buildings, plant, machinery and floating equipment were written down by the sum of $1,975,731 by charges to depreciation and deficit accounts as at February 28, 1934, to the basis of replacement values as shown by appraisals made in 1929 with additions to date at cost for buildings, plant, machinery and to book values for floating equipment.

Burns & Co. Report Markets Looking Up Earnings on Increase

Competition Makes Price Margin Small But Volume Grows

BACON SALES GAIN

General Manager Believes Canada Will Compete Successfully When Agreements End

With a fairly stable domestic and foreign market throughout 1933 on all commodities handled as contrasted with the steadily declining values and depreciated sterling exchange of the previous three years, Burns and Company, Ltd., was able to make net earnings from operations of $451,572 as compared with net loss of $46,698 in 1932. After including other income and deducting depreciation, bank interest and making provision for unpaid bond interest and taxation there was a net loss of $211,769 as compared with the net loss in 1932 of $651,323. Nevertheless the difference in income encouraged John Burns, general manager, so much that he believes that these results clearly demonstrate the improvements which may be expected under better conditions even though the price margin is small when compared with normal years by reason of the keen competition among the packers in their endeavor to increase volume.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1933 $	1932 $
Net earn. from oper.	451,572	*46,698
Add Income from Subsidiaries:		
Add Inc. fr. Subsid.:		
Rents	5,573	101,715
Interest	1,798	28,595
Other income	15,092	12,861
Net earnings	474,035	96,473
Less: Depreciation	270,430	290,362
Bank int., etc. (net)	31,796	83,384
Bond interest	†372,578	†374,050
Prov. for Inc. tax	11,000	......
Net loss	211,769	651,323
Add: Prev. deficit	1,167,784	516,461
Deficit car. forward	1,379,553	1,167,784

* Deficit or loss. † Provision for interest; none paid.

Western Purchasing Power Down

Although the provisions for interest are shown in the above table at $372,578, the situation for the company is better in that this interest, together with $401,879 accrued prior to 1933, are to be cancelled by reason of the scheme of reorganization approved by the company's first mortgage bondholders on March 29, 1934. On the basis of interest payments now decided on, these net earnings would have shown a surplus over interest, i.e., at 2 per cent for 1934 and 3½ per cent for 1935 on new first mortgage bonds.

Mr. Burns states that the company entered 1933 with small inventories, both in quantity and value in all branches of the business in relation to its current volume of business. As prices were more stable, it was not called upon to take inventory losses as in the previous two years. Those declining prices made it necessary in preceding years for the company to keep down its inventory as much as possible and at the same time to turn over its goods on a very small margin or at a loss.

In covering its immense territory from the Pacific coast on the west to North Bay and Cochrane in Ontario and Rouyn in Quebec and north to the Yukon territory and to operate the company's packing houses and all departments, fluctuations in the total amount of business to be secured and in prices make a very considerable difference in the company's income. The low prices received by producers of Western Canada in nearly all agricultural departments reduced purchasing power and was reflected directly in the company's operations. As its activities centre largely in the three prairie provinces this condition was also accentuated by damage from drought, grasshoppers and hail in some districts. The reduction in activity in mining, lumbering, railway construction and building meant that a great many people were, and still are, on relief. The fact that the total wheat crop of the three prairie provinces was 50 per cent of normal in 1933 also reduced purchasing power.

Bacon's Surprising Move

As a result of the Imperial Economic Conference agreement in July, 1932, and the improvement in hog prices as 1933 progressed, the price of bacon hogs in Calgary advanced from 3c. to 6c. Egg and poultry prices were low throughout the year due to low prices of both beef and veal, the prices of these commodities being closely inter-related.

Cream and butter prices were satisfactory because butter importations were discouraged by the Federal Government. The cream producer got more money with the removal of the estimated surplus of butter stocks in Western Canada during the late summer months and it placed the industry on a profitable basis.

The operating expenses of Palm Dairies were very considerably reduced during 1933 chiefly due to a change made in the handling and distribution of eggs and poultry. Butter production in the branches was well maintained as well as butter and cheese production in the Burns plant. The volume of milk distribution was also maintained by Palm Dairies but ice cream distribution suffered in volume because of low demand and purchasing power. The company secured its full share of the business and buildings and equipment were maintained.

Consolidated Fruit Company had a satisfactory year in view of the low purchasing power on the prairies.

Producer-Consumer Interaction

Mr. Burns states that, in opposition to the prevalent view, it is really more difficult to sell low-priced products than reasonably high-priced products and the packers' margin is less because when prices are as low as they have been during the past four years, no one is making any money in handling them. The producer has been receiving little more than the cost of production and in some instances less and this reflects itself in his buying as a consumer.

The packer has been forced to sell meats and other products at prices made exceptionally low by pedlar competition on an over-supplied market, aggravated by a diminishing demand. Under these conditions, quantity rather than quality governs.

Undoubtedly conditions throughout Canada have shown improvement during the last two months of 1933 and the first three months of this year, according to Mr. Burns. Employment shows improvement, bank clearings are higher, mining is improving and lumbering on the Pacific coast and elsewhere is better where it is possible to export. Agricultural prices are higher for grains and livestock and dairy produce and Mr. Burns expects that further improvements will be made in 1934, particularly in the livestock industry. Owing to the high prices prevailing for hogs during 1933, many more hogs are being slaughtered by inspected packing houses which are shipping the products for export instead of these hogs being slaughtered by farmers in country towns and peddled in the cities.

More Hogs Slaughtered

In 1932 inspected packing houses of Canada doing export business slaughtered only 39 per cent of the total 7,000,000 hogs in the year, and in 1933 45 per cent out of a total of 6,100,000 hogs. During the last six months of 1933 with the hog population of Canada 18.4 per cent less on the 1st of June, 1933, than on the same date in 1932, there were slaughtered in the packing plants operated under Government inspection in Canada, 36 per cent more hogs than during the same period in 1932. This clearly indicates a very heavy movement of pork exports to England, the quantity exported being almost double 40,000,000 pounds in 1932 and 73,000,000 pounds in 1933. There was also a consequent decrease of pork consumption in Canada.

Poultry stocks in Canada at the outset of 1932 were just 50 per cent of the stocks held in 1931 and 1933 stocks showed increase of 50 per cent over 1932, which is normal. Sheep and lamb consumption was fairly steady. There was more consumption of beef in Canada because of the increase in hogs slaughtered and of bacon exported. The consumption of beef in Canada has increased 11 pounds per capita, or 110,000,000 pounds. This means 220,000 head of cattle additional for the year, estimating it at 500 pounds to the dressed carcass.

Beef Surplus Being Cut

Further beef consumption in Canada is expected in 1934 as a higher price is expected for hogs and there are only normal poultry stocks on hand. This is expected to relieve the Canadian market of its surplus cattle which has so depressed the price of cattle during the last two years.

Cattle shipped for export during 1933 showed an improvement of 100 per cent over 1932, a total of 50,000 head being exported. Canada continued, however, to import canned meat instead of using Canadian products, canned meats imported during 1933 being equal to 40,000 head of cattle. Mr. Burns suggests that the Dominion Government should raise the tariff on canned meats to give the Canadian market to the Canadian people. In January and February, 1934, the slaughtering of cattle in Canada showed an increase of 29.85 per cent over the same two months in 1933. If this same rate of increase took place on farms, ranches and at country points and by pedlars in the city, it has shown an approximate increase of 400,000 head over the slaughterings of 1933, or 30 per cent. Farm production continued at a rate just sufficient for Canadian consumption. The export outlet in England, afforded for the surplus bacon, did much to improve the marketing of all livestock in Canada. Hog production was largely increased because prices were profitable while grain was low.

Export in 1933 of 73,000,000 pounds of bacon, one quarter of Canada's total quota of 280,000,000 pounds under the terms of the Ottawa agreement, amounted to just 10 per cent of the total number of hogs slaughtered in Canada that year. Even though the hog population of Canada had shown a decrease of 19 per cent on December 1, 1933, as compared with the same time in 1932, it is expected that hog exports will increase.

Permanent Business

The Canadian packers are co-operating with the Federal and Provincial Governments to carry on an active campaign to improve the quality as well as the finish of hogs in Canada, and especially hog production of the type most suitable for the English market. When the Ottawa agreement expires Mr. Burns believes Canada should be securely entrenched in the British market and be able to compete there against all comers. In his opinion, Canada can produce hogs as cheaply and as well as any country in the world, once it is firmly established. At no time in the history of Canada have the packer and the producer worked more closely together and with a better understanding of each other's problems.

Cream production increased and a satisfactory output in 1934 was expected. The company had always and would continue to co-operate with the dairymen and other agricultural producers of Canada to maintain conditions which were good for the industry as a whole in all its branches. Mr. Burns, for that reason, welcomes the introduction in the Federal Parliament of the Natural Products Marketing Act. If it is administered sanely and wisely, based on the experience of those in the industry, it could serve a useful purpose and accomplish satisfactory results until normal marketing results are seen again. The marketing legislation when made effective would receive the full support of those in the industry.

A larger working capital reflects the improved position referred to as shown by the following comparative table:

	1933 $	1932 $
Current assets	3,103,282	2,771,330
Current liabilities	1,097,258	946,770
Working capital	2,006,024	1,824,560
Ratio	2.82—1	2.93—1

Bank Loans Financing Increase

Increase in current assets was the net result of the following changes in individual items: Cash increased from $102,540 to $118,154; receivables dropped from $1,134,761 to $959,422 after deducting 25 per cent reserve for bad and doubtful debts; the amount due from subsidiaries dropped from $214,008 to $17,598; and inventories increased from $1,320,021 to $2,008,108.

Increase in current liabilities mainly occurred in an increase of the trade bills and accounts payable from $150,096 to $288,592. This is a direct reflection of the increased business being done and the higher prices being paid. The banking situation was much better though loans were not down very much. The situation is much better in that the bank loans this year apparently have been financing an increased amount of business whereas last year they represented past business and were a considerable burden. Secured bank demand loans are down from $525,000 to $155,000 while sterling futures sold against consignments increased from $81,897 to $276,971, a natural increase in view of the greater exports, and bank overdraft of $113,865 went up to $265,593.

In this connection it may be added that the company has a contingent liability in its bank guarantees re subsidiaries but these were reduced during the year from $730,918 to $466,364. There was a contingent liability for trade bills discounted of $33,330 about the same as last year and other guarantees re subsidiaries of $1,051,291 showed little advance.

Reduced Bond Charges

By reason of the scheme for reorganization approved by bondholders and shareholders the company reduced the stated value of its capital stock from $7,023,600 to $2,724,300, the interest unpaid from December 1, 1931, to December 1, 1933, of $774,457 was cancelled and the deficit of $1,109,827 was cleared away. By reason of these changes, the company was able to increase the reserve for depreciation from $2,483,412 to $5,000,046 and to establish as well a reserve for contingencies of $536,029.

Taking into account the revision, the investments in subsidiary companies are reduced from $1,748,516 to $983,447 and other investments from $460,507 to $314,309. There was no change in fixed assets which still stand at $11,728,589 as before the scheme of reorganization and very little lower than the amount shown at the end of 1932.

The bond situation is now much easier for the company to handle. Counting in interest unpaid, the first mortgage 5½ per cent 20-year sinking fund bonds, series A, due 1948 amounted to $7,532,357.

With the cancelling of accumulated interest, the total funded debt dropped to $6,757,900 divided as follows: half in first mortgage 5 per cent sinking fund bonds due 1958 bearing interest at 2 per cent per annum for 1934, 3½ per cent for 1935 and 5 per cent thereafter; and half in first mortgage 5 per cent sinking fund income bonds due 1958, interest non-cumulative and payable to extent of 75 per cent of available income for the period to December 1, 1938, and subject to company maintaining an adequate current position.

Capital Stock Reduced

The cumulative position of the preferred shares has also been eliminated. Instead of 69,036 shares of 6 per cent cumulative redeemable preferred shares with dividends in arrears since September 30, 1930 and shown on the balance sheet at $6,903,600 and 120,000 common shares shown at $1 a share on the balance sheet, the situation now is that there are outstanding 33,789½ Class A no. par value shares, preferred as to non-cumulative dividend to extent of $1 per share subject to the company maintaining a certain current position, preferred as to assets to the extent of $20 per share and redeemable out of profits in the open market, five management shares of no par value and 109,554 Class B common shares of no par value, all issued at an aggregate designated value of $2,724,300. As a result of this arrangement also the contingent liability for guarantees re subsidiaries other than the bank guarantees and the trade bills discounted of $1,051,291 are also eliminated.

The net result of all this is that the net current assets cover mortgage and agreement for sale of $126,460 and leave $1,879,564 to apply as part equity against first mortgage bonds, and the remaining $4,878,336 of bonds are covered by remaining tangible assets, less all reserve, leaving $2,730,300 to apply against capital stock.

Stock Exchange Seat Is Sold for $46,400

The seat on the Toronto Stock Exchange purchased by Matthews and Company in June, 1933, is now stated to have been obtained for Oswald and Drinkwater, Montreal, and the exchange of ownership is understood to have been made at $46,400.

Recent report of a sale of, or a bid for, a Toronto Stock Exchange seat, at $65,000 is understood to have been incorrect. Current estimated value of seats is about $50,000.

CANADIAN OIL CO. EARNINGS HIGHER, WORK. CAPITAL UP

Common Stock Equity Nearly $31 Per Share—Dividends Covered

Net income and working capital of Canadian Oil Companies are both higher for 1933 than for 1932. Net profits was $246,338 after depreciation and taxes as compared with $140,810 and there was a surplus of $14,456 after preferred and common dividends against a deficit of $162,954 in the preceding year. The common dividend paid was half that of 1932 but was more than earned. Working capital shown was very strong.

Income and Surplus Account
Years Ended Dec. 31

	1933 $	1932 $
Net income	541,677	359,389
Less: Deprec. reserve.	260,339	218,579
Income tax reserve.	35,000	......
Net profit	246,338	140,810
Less appropriations:		
Preferred divds.	160,000	160,000
Common divds.	71,882	143,764
Surplus for year	14,456	*162,954
Add: Prev. surplus	918,085	1,081,039
Less: Tax adj., 1931	3,515	......
Balance forward	929,026	918,085

*Deficit.

Working Capital

	1933 $	1932 $
Current assets	3,041,737	2,970,509
Current liabs.	336,036	398,476
Working capital	2,705,701	2,572,033
Ratio	9.05—1	7.45—1

No comments by the board accompany the consolidated balance sheet.

Preferred shares of $2,000,000 are covered by net current assets with an additional $705,701, or $4.91 a share, net current asset equity available for 143,764 no par value common shares in addition to an equity of nearly $26 a share in non-current tangible assets. That makes an equity in net tangible assets of $30.91 a share for common stock.

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Dairy Corp. Control May Pass to New Owners With Reorganization

Preferred Classes A and B Shareholders Accept New Plan — Meeting Told Large Dairy Concern Negotiating — Dickering With Silverwoods

Dairy Corporation of Canada preferred, Class A and B shareholders, finally voted acceptance of the reorganization plan by more than three-quarters of the shares represented in person or by proxy at the adjourned meeting in the King Edward Hotel, Toronto, on April 12. Opposition to the plan by shareholders at a previous meeting was abandoned as a result of study made in the meantime by a special committee headed by F. W. Wegenast, on the understanding that the new Class A shareholders would be able to elect three directors to the board and thus have a say in future management policy. Another preferred shareholder explained that his opposition to the plan faded away as soon as he knew who the proposed buyers of the Dairy Corporation of Canada were. The information had been given him in confidence but it was enough to say that they were practical, successful dairy operators who might be expected to make a good try to get some of the money back for the shareholders.

Although at the meeting no one would divulge the name of the probable buyers, The Financial Post has it on good authority that negotiations were opened with Silverwood Dairies, but that no definite arrangement has been concluded at the present time.

Principal opposition throughout was maintained by John Jennings, K.C., representing 3,080 preference shares held by the Bank of Toronto and some shares held by others. Three new directors decided on to represent Class A shareholders were F. W. Wegenast, K.C., R. N. Bryson and G. E. Gibbard. The other eight directors are elected by Class B stock mainly held by debenture holders.

The scrutineer's report of those present in person and proxy and both for and against the plan were as follows:

Those Present

	Pref.	A	B
Person	520	4,845	412
Proxy	12,736	15,039	34,667
	13,256	19,884	35,079

Vote on Motion

	Pref.	A	B
For	10,043	19,755	35,037
Against	3,180	5	24
	13,223	19,760	35,061

Scheme Finally Adopted

As the holders of debentures had already accepted the plan of organization, under which they were to receive $80 principal amount of new debentures plus four shares of Class B voting no par value common shares, the changes to be made as a result of this meeting are shown in the following table:

Present Capitalization

	Author.	Outstand.
6% 15-yr. gold debents.	$2,500,000	
Series A, due 1945		$494,500
Series B, due 1945		$300,500
6% pref., par $100	$3,000,000	$1,545,800
Class A, n.p.v.	150,000 sh.	27,450 sh.
Class B, n.p.v.	50,000 sh.	36,300 sh.

Proposed Capitalization

6% 20-yr. gold debents.	$1,200,000	$636,000
Class A, n.p.v.	75,000 sh.	53,316 sh.
Class B, n.p.v.	75,000 sh.	31,800 sh.

In the above table provision is made for holders of present preferred shares receiving three Class A non-voting no par value common shares for each $100 par value shares now held, for holders of present Class A common shares receiving one new Class A share for each five of the present A shares held, and for Class B common shares receiving one new Class A share for each 25 of the present Class B shares held.

Of the balance of authorized debentures not shown in the foregoing as outstanding, $500,000 will be deposited with the company's bankers as security for existing loans and in substitution for any existing debentures held as collateral security, and $64,000 will be held in the company's treasury for general corporate purposes. Under the reorganization plan the consideration for issue of the 53,316 A and 31,800 B shares is fixed at $434,027 of which $385,116 is to be capital and $48,911 is to be set aside as a distributable surplus.

As this was an adjourned meeting from March 27, Mr. Jennings, representing the Bank of Toronto and others, challenged the right of anybody to vote proxies received after March 27, when the meeting opened. Mr. Caulder ruled that all proxies received could be voted, saying there was nothing in the terms of the plan or in the court order to prevent proxies being received up to the time of the adjourned meeting. It was important that every shareholder possible should have a chance to express his opinion.

Preferred Wanted Control

F. W. Wegenast explained that a special committee had been formed in order to see if a better plan could not be devised to take care of the interests of the preferred shareholders better than the present scheme. The special committee had made enquiries from some of the large dairies and found no encouragement whatever in their plan to sell one or more of the company's plants. Eventually the committee came to the conclusion that if the scheme could be modified in certain particulars it might pass muster. It was never, of course, satisfactory to lose one's money but if it was gone, he didn't think there was a great deal of use in making trouble about it and perhaps incurring more expense.

On these general grounds Mr. Wegenast had approached Mr. Caulder to ask if the board would agree:

First, that the preferred shareholders could get the management of the business through appointing the board of directors until some new plan was formulated;

Second, that provision should be made for representation of the new proposed Class A shareholders on the board; and

Third, that the company should reconsider the proposal of a distributable surplus.

After a good deal of negotiation the committee waived its demand for management of the company's affairs but it was agreed that provision should be made for representation on the board of directors. The matter of a distributable surplus was explained to his satisfaction and he had advised the committee to drop the idea.

Unknown Buyers Impressive

Mr. Bryson said that it had made a big difference to his opposition when he had learned who the buyers of the company were. He had been informed and the information was being kept in confidence because publicity might cause interference with the transaction. It was enough to say that the new owners were practical, successful dairy operators and it might give them an opportunity to get some money back.

Mr. Wegenast said that since Mr. Bryson had spilled the beans a little, he entirely agreed with him that a new light had been placed on the proposal when it was learned who was going to put up the money for the extra debentures and control the company.

Mr. Caulder stated that before any further negotiations took place with the people who had been considering putting the money into the company, the present holders of debentures and preferred and common stock would have the chance of buying the new debentures themselves. If the shareholders wanted to turn the opportunity down, then the other group would come in.

"Nothing to Be Gained"

Mr. Caulder stated that the shares represented by Mr. Jennings were owned by the Bank of Toronto and he added, "I don't think the bank has anything against the plan but for certain legal, technical reasons they must oppose it. I think I am putting the facts before you on that. It is obvious that the motion could not be in the interests of any other shareholders."

Mr. Jennings said that a very substantial number of shares represented by him were not held by the bank. The bank only held its shares as collateral. The bank officials with all their experience, and after most careful canvassing of the situation, could not see that the company would be one particle ahead by the adoption of the plan. The preferred shares would be wiped out by this plan and he thought the company would be better to retain the present capital structure and do nothing than to accept this plan.

"What are you getting?" he asked. "Not one dollar of new capital to carry on with. They are paying $500,000 to get some extension of time on a $400,000 debt. That means there will be $500,000 to be paid off in place of $400,000. What advantage the corporation gets, I and others associated with me have been unable to decipher. You are increasing your outstanding obligations in debentures in advance of the preference shares. Interest on these will have to be paid from earnings before your shares are of any value. My own suggestion is that the situation should be left as it is."

"Bank Will Be Paid"

Voice, "The debenture holders will take it over."

Mr. Jennings, "What can they take over? The Bank of Montreal owns everything the company has. That is not a frank statement. The debenture holders cannot take over the company unless they put up $400,000 to pay off the bank."

Mr. Wegenast stated that with the permission of Mr. Caulder he had gone to the Bank of Montreal to whom the company owed money. "The picture painted there was not as rosy as Mr. Caulder transmitted it to you. They want their money. I believe that even the receiver would not be allowed to manage the business. And in that case we are doing the best we can by accepting the plan as amended."

Mr. Jennings—"What receiver?"

Mr. Wegenast—"The receiver appointed by the debenture holders."

Mr. Jennings—"They can't appoint a receiver until they pay the $400,000."

Mr. Caulder—"Two weeks ago the debenture holders passed this plan and if this plan is not passed we may as well face the fact that the bondholders will be instructed to step in and assert their rights. The bank will be paid off and everybody will be out of it except the debenture holders. The debenture holders know where they can get $400,000 to pay the bank loan."

Only Two Subsidiaries Lose

Continuing, Mr. Caulder said that the common stock is worth something today and will be worth more in his opinion. The common stock would be worth nothing only, in his opinion, if the debenture holders stepped in and took everything over. The Bank of Toronto never bought a share of stock. They got their stock through another deal altogether. It was a matter of collateral. He was satisfied that they were the only people opposed to the plan.

Mr. Jennings thought the Bank of Toronto interest was much greater than indicated because its ownership of the shares came because it had given banking aid to Canada Dairies, Ltd., in Toronto and that was one of the only two companies controlled by Dairy Corporation which were making a profit. When that company was handed over to Dairy Corporation the shares were taken as collateral by the bank because something had to be done about the previous arrangement, and the company turned over had given a substantial profit to Dairy Corporation.

Mr. Caulder—"You're wrong in saying that there are only two companies making a profit. It is the other way about: there are only two companies losing money."

It is understood that, now the plan has been passed, the company will clean up the three subsidiary situations in Montreal, Toronto and Winnipeg. It is understood that it is necessary for these also to be cleaned up satisfactorily before final arrangements can be made with the new but unnamed buyers referred to in the meeting. The shareholders will be given the first chance at the new debentures and then, failing in adequate response, the new company will take them over and along with them the B stock which will give it control.

ENAMEL HEATING PRODUCTS RECORD LITTLE PROGRESS

Prospects for Current Year on More Favorable Basis

From Our Own Correspondent

MONTREAL.—Enamel and Heating Products' financial statement for 1933 does not show any material change in earning power or finances. During the first half of 1933 the company experienced a drastic reduction in sales, which was not entirely offset by the improvement recorded in the last six months.

Outlook for the company, according to N. A. Hesler, president, is definitely more encouraging. Efforts made to establish an export trade have met with success, and the management expect a considerable amount of business from this source during the current year, which, coupled with the fact that domestic sales show an increase of 67 per cent in the first quarter of 1934 over the first three months of 1933, warrants the belief that business will be on a much better scale this year.

Record Another Loss

Last year Enamel and Heating Products showed a loss in operations of $40,482. This compares with $49,829. After providing for various write-offs and reserves, the 1933 income account shows a net loss of $62,491 before making any provision for depreciation. The previous year the net loss was $88,699, after setting up $15,000 for depreciation.

Comparative profit and loss account figures for 1933 and 1932 follow:

	1933 $	1932 $
Loss on operations	40,482	49,829
Less: Depreciation	......	15,000
Ins. prem. re S. F.	......	3,870
Bad debt res.	2,500	......
Res. sub. cos.	8,500	20,000
Loss on lines with.	11,009	......
Net loss	62,491	88,699
Previous deficit	182,255	98,585
Odd: Spcl. inc. pr. yrs.	......	5,279
Insurance	1,983	......
Debit balance	242,763	182,255

Bank Loans Remain

At the end of 1933 Enamel and Heating Products' balance sheet showed assets totalling $1,301,009 compared with $1,353,377 in 1932.

It is noted that the current bank loans have been reduced from $255,000 to $249,450. The special bank loan of $112,250, however, remains unchanged. As security for these loans, the bank holds $400,000 of 6 per cent first mortgage bonds.

Current assets, as a whole, show a decline of approximately $48,000 to $300,196 during the year. This reduction is largely due to lower inventories.

Deferred charges to operations are slightly lower at $40,553.

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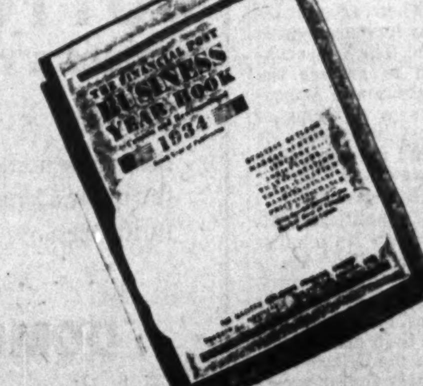

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Walter Elliot's Farm Plans Touch Canada's Destiny

Britain's Minister of Agriculture Has Plans to Protect Home Farmers Even from Dominion Competition—Is Leader of Reform Group in Tory Party

By JOHN A. STEVENSON

Today by common consent one of the most forceful and arresting personalities in the British political world is the Rt. Hon. Walter Elliot, M.C., Minister of Agriculture in the National Government, and since he is the chief architect of new policies which may have an important impact upon the economic fortunes of Canada, his career and his political philosophy deserve some attention and appraisement by Canadians.

The Elliots are a famous border clan who lived in the region known as "The debateable land," and wrote their exploits large in the annals of strife and foray, and Walter Elliot is a true Borderer, born and bred. His father, William Elliot, was a notable man in his day; not only was he a sheep farmer on a large scale, pasturing his flocks upon a thousand hills, but he was one of the best-known auctioneers in the south of Scotland, and was one of the chief organizers of the regular auction sales at which most of the sheep of Scotland are now adays marketed. Young Walter Elliot, who was born in 1887, was educated first at local schools, then at Glasgow Academy, and later proceeded to Glasgow University. There he took a medical course with distinguished honors, and was prominent in all the activities of the university.

RT. HON. WALTER ELLIOT

Became Labor Worker

Politics, however, were after his studies his main preoccupation, and although his father was a stout Tory, he himself became a devotee of the Socialist creed, and in time became the acknowledged leader of the Labor party in debates at the University Union. For the office of Lord Rector (i.e. chancellor) of Glasgow as of other Scottish Universities there is always a keen contest on political lines, and about 1906 Walter Elliot scandalized the staider elements in Glasgow by insisting that a Labor candidate must run for the Lord Rectorship and ringing forward in this rôle the late Keir Hardie, the real founder of the British Labor party.

Got Some Notoriety

Hardie was then generally regarded as a malignant political firebrand, and the idea that he should be suggested for the chair that had been occupied by such men as Gladstone, Peel, and John Bright, was too shocking to be contemplated. In the end he was badly defeated by both the Conservative and Liberal candidates, but Elliot got a lot of fun and notoriety out of the fight. Incidentally at this time when the future Tory minister was putting the Labor party on the map, the leader of the Conservative cohorts was strangely enough James Maxton, who now heads the extreme faction of the Labor party at Westminster.

Walter Elliot, taking his medical degree in 1913 specialized in biology, and did post-graduate work with the idea of becoming a university lecturer. Then came the war and when he offered his services in a medical capacity he was appointed surgeon to the Scots Greys. With this famous cavalry corps he served throughout the whole war and emerged unscathed from it with a Military Cross and Bar and as the most popular figure in the regiment.

Turned to Politics

Towards the close of the war his father had died and Elliot's share of his very substantial estate placed him beyond the necessity of earning his daily bread. So his thoughts turned to a political career and at the election which befell just after the Armistice, the doors of parliament were suddenly opened to him in an unexpected fashion. One of his chief local connections was with the division of South Lanark where his father had an auction market and property and it happened that the Conservatives of the constituency were searching for a good candidate to wrest the seat from the Liberals. Some of them thought that young Major Elliot with his fine war record would be a good choice.

Shock for Oldsters

When he was asked to attend a party convention and expound his views he frankly declared that the only political vote he had ever cast had been for Keir Hardie as Lord Rector of Glasgow University. A positive shudder ran through his well-fed Tory audience and an old peer who was chairman said,

"Ah, Major Elliot you are very frank, but I presume you have now forsworn those follies of youth."

Elliot promptly explained that he had forsworn nothing but that he was convinced that in the days to come all parties would have to follow the Socialist trail at perhaps varying paces and that as he wanted to get into parliament he would gladly accept the Conservative nomination. No other presentable candidate was in sight and so he was nominated by the Conservatives and, winning an easy victory, was launched upon his political career.

Expert on Agriculture

An experienced debater and a forceful character who would stand out as real personality in any company, he soon made his mark at Westminster and by the end of his first session was rated by the political pundits as one of the most promising recruits of the new parliament. He reserved his interventions in debate for subjects with which he was familiar such as agriculture and public health and gradually built up a reputation as a competent parliamentarian and an expert authority upon certain problems particularly agriculture and social reform. In 1923, within five years of his entry into parliament, he got his foot inside the sacred ministerial circle via the modest subordinate post of Under-secretary of Health for Scotland. A year later he was given a wider sphere of operations as Under-secretary for Scotland and in this rôle had to deal with the agricultural policies of his native land. He abundantly justified his appointment as a junior minister and being one of the most competent debaters on the Treasury bench was often put to defend the general policies of the Baldwin ministry. He had two spells as Under-secretary for Scotland, 1924-26 and 1926-1929, and when the Conservatives went out of office in 1929 he was on the threshold of the cabinet. Indeed his friends asserted that if he had been educated at Eton and Oxford, he would have been a cabinet minister long before 1929.

Stepping Stone to Cabinet

When the National Government was formed in 1931 the Conservatives only got a share of the cabinet posts and, as even all their senior leaders could not be provided for Elliot had to be content with the position of Financial Secretary of the Treasury. But this post is traditionally a stepping stone to the cabinet and so when Ramsay MacDonald undertook his first reorganization of his cabinet in 1932, he transferred Sir John Gilmour, who had been a commonplace and rather ineffective Minister of Agriculture, to the Home Office and gave Elliot the portfolio for which he was best suited and for which he was known to crave ardently.

Endowed with cabinet rank he did not let the grass grow under his feet and began disseminating, inside and outside parliament, his idea about a programme for the rehabilitation of British agriculture which had begun to experience the full impact of the great depression.

His Economic Views

Elliot had arrived at the definite conviction that the Great War and its consequences had ended one epoch in Britain's economic history; that the brave old days when she could keep her population in work with a reasonable standard of life by importing cheap food, manufacturing at low cost and selling her industrial products all over the world were gone for ever; and, if his country was to be saved from slow economic decay and retain her position in the world, new paths must be trodden and bold experiments tried If as he believed the old scale of exports could not be restored, then imports of foodstuffs could not be paid for without drawing upon the nation's capital reserves and so his reasoning led him to the conclusion that British agriculture must be revived for the dual purpose of diminishing the need of imports and of providing employment for more people. He had developed some of these ideas in a little book called "Toryism and the Twentieth Century," which he wrote about 1928 and as Minister of Agriculture he found himself in a position to put some of them into practice.

Largest Industry

Agriculture was still Britain's largest single industry employing some seven million people but, while in some lines such as stock raising it was remarkably efficient, it was conducted on a haphazard individualist basis and was singularly weak in its marketing organization. It was also exposed to foreign competition of great severity and only in highly perishable products like milk and in wheat, for which Sir John Gilmour had sponsored a subsidy scheme, had it any security for its home market. Holding that the only way to revive agricultural prosperity was to increase the returns of farmers, Elliot determined to employ two agencies for this purpose, protection of the home market and distributive organization.

Substitute for Protection

For political reasons food taxes, for which Britain has a traditional abhorrence, were ruled out and he resorted to marketing schemes, which combined reorganization, protection and restriction. The framework was laid in a comprehensive Farm Marketing Act, which gave the force of law to elaborate rules and regulations about the marketing of farm products. The principle was adopted that each separate scheme before it came into force should be submitted to a vote of the interested producers and should only come into operation, if a majority favored it; but once such majority was secured the principle of the compulsory 100 per cent pool was applied and all producers of the commodity involved had to come into the scheme.

Boards, on which other interests besides the primary producers and also the consumers were represented, were set up to administer each scheme and armed with very wide powers, and substantial penalties were provided for any violation of their regulations.

Quotas Utilized

At the same time there was established a rigid restriction of foreign imports, partly by tariff duties and partly by quota systems. In the case of bacon, for instance, negotiations were entered into with Denmark. That country, very much against its will, was induced to accept a limitation upon its exports of bacon to the British market. However, for the time being, imports from the Dominions, being safeguarded by the Ottawa agreements were not subjected to the operations of any quota scheme and retained the right of free entry.

Other Marketing Schemes

Up-to-date marketing schemes have been adopted for pigs, bacon, milk and hops and a scheme for potatoes is in progress of evolution. Running through them are two common principles which may be found to conflict with one another. The first is strongly naationalist, namely the protection of an important home industry against cheaper imported products, coupled with a marketing reorganization which seeks to secure a compensating increase of efficiency. The second principle has an international basis and is founded on the belief that farmers everywhere are suffering from a glut of production, which present-day consumption cannot absorb, and that a restriction of supply is necessary to improve the fortunes of primary producers all over the world.

Mr. Elliot played some part in the deliberations which resulted in the international wheat agreement but he was not deeply concerned in their outcome as Britain had already evolved a domestic wheat policy. But so far he has not achieved any substantial measure of success in inducing producers outside Great Britain to participate in his plans for restriction although they are ostensibly for their benefit. But it is with the national rather than with the international aspect of his schemes that Canada is primarily concerned and it would be foolish to minimize their implications.

His Objectives

Mr. Elliot's primary objective is to raise prices for the British farmer but he is discovering that he cannot achieve this end owing to the flood of cheap foodstuffs which is still pouring into Britain from the Dominions. The British farmers have now secured a substantial measure of protection against their foreign competitors but they have none against the Dominions and the inevitable consequence is that they are coming to regard the Dominions as enemies who prevent the restoration of decent prices and prosperity. Such a development places both Mr. Elliot and the Conservative party in a very awkward quandary. The latter is the Imperialist party of Britain, pledged to maintain and strengthen the ties with the overseas partners of the Commonwealth, but they find that their most stalwart and faithful body of suporters now regard these overseas partners as the chief source of their woes and troubles.

Disappointed in Canada

If the Anglo-Canadian fiscal agreement had borne fruit in the shape of a substantial enlargement of the market for British industrial products in the Dominions, then the Conservatives would have had available a reasonable defense for the Ottawa agreements; they could have pointed out to their farmer constituents that even if they were suffering from Dominion competition, the expansion of export trade with the Dominions had resulted in increased industrial employment which in turn had lessened the burden of the dole and created a better local market for milk and other farm produce. But while, since the Ottawa agreements were signed, there has been some increase in British exports to the Dominions it is not large when account is taken of the greatly increased value of the British pound. The Conservatives find it hard to answer the taunts of the Liberals and Laborites that the Ottawa agreements are proving almost valueless for British industry and are positively hurting British farmers.

Is Nationalist First

Walter Elliot is a political realist and he is a British Nationalist rather than an Imperialist. He is determined to revive British agriculture and, if the Dominions do not like his schemes, he cannot help it. So he has more than once served notice on them that the British Government will probably find it necessary to exercise its right to revise the agricultural provisions of the Ottawa agreements at the end of three years from August, 1932. Indeed he has already induced the Bennett ministry to agree to a limitation of Canada's cattle exports to Britain for the first half of 1934.

His chief difficulties arise from the huge volume of cheap dairy produce which New Zealand and in a lesser degree Australia are sending to Britain. British dairymen find that they cannot compete with butter and cheese from the Antipodes and many farmers who formerly made butter and cheese are now contenting themselves with producing only milk. The result has been a great glut of milk which has threatened the success of Elliot's milk marketing pools and to save the situation he has worked out a scheme whereby a large quantity of the surplus milk is being purchased by the state and distributed to school children. But he has intimated that this is only a temporary measure and the agricultural editor of the Times in a recent article which bore the stamp of official inspiration pointed out that as soon as the Minister of Agriculture had his hands free to deal with imports from the Dominions, he would take measures to revive the butter and cheese industry of Britain.

Negotiations With N. Z.

Some time ago he sent an emissary to New Zealand to negotiate with the New Zealand dairymen for a voluntary curtailment of their butter exports to Britain but New Zealanders stood on their treaty rights and would make no arrangement. Now, however, they have become frightened about Elliot's plans and lately the New Zealand Government offered a virtual elimination of the tariff against British goods in return for a guarantee that no restrictions would be placed on New Zealand's exports of foodstuffs to Britain. Rt. Hon. J. H. Thomas, the Secretary of the Dominions was the mouthpiece of the reply that Britain could give no pledges, which would tie her hands about the revival of her own agriculture and there is little doubt but that this answer was inspired by his colleague, Mr. Elliot.

And just the other day Mr. Baldwin who as leader of the Conservative party is the dominant figure in the cabinet, in a speech delivered to an audience of farmers in his native county of Worcester, served blunt notice on the Dominions that this summer a new factor would enter into the situation as the British Government would then be free from all commitments about meat.

Papers like Country Life are now exhorting the British farmer to be patient until Mr. Elliot's hands are free and there is every indication that he contemplates a drastic curtailment of imports of foodstuffs from the Dominions for the benefit of the British farmer.

Blow to Our Farmers

Such a move will not be palatable to Conservatives like Rt. Hon.. Neville Chamberlain who are zealous Imperialists and chiefly interested in British industry but, unless the Dominions strengthen the hands of the latter by diminishing some of the present barriers against British goods, Elliot will have his way and the farmers of the Dominions will have to face a further curtailment of their export markets.

Not long ago Elliot delivered an address to the students of Aberdeen University, of which he is Lord Rector, and as it contained a frank outline of his economic and political philosophy and broke a good deal of new ground it attracted widespread attention. He reiterated his view that Britain could no longer place any safe dependence upon foreign trade and investments and must reorganize her economic life on nationalist lines and that if such reorganiaztion were intelligently carried out, there was no need for any inhabitant of Britain to lack adequate sustenance in an age of plenty. He made a bold beginning with such reorganization in a sphere where Conservatism is deep rooted and he has won for himself recognition as the most vital and interesting figure in the present British Government.

Much Criticism at Home

But in Britain itself critical voices, not all emanating from the Labor party, are being raised about Mr. Elliot's scheme. An immediate result of the bacon quota was a rise in the retail price of bacon, and it has been moving upward gradually ever since. There has followed a decrease in the consumption because many consumers decided that they could get better value for their money in other foodstuffs. Last month the accounts of the large mercantile organization known as the Home and Colonial Stores showed a decline of £150,000 in profits compared with the previous year, and Sir James Martin, the chairman, attributed the shrinkage to a great decline in the consumption of bacon. He declared that if the present restrictionist policy was continued bacon "may go out of fashion as an article of food in many households."

"The public," said Sir James, "who are after all pretty shrewd in their judgment, do not hesitate to buy what in their view offers the best value and have no hesitation in substituting one article for another in budgeting for their household requirements."

Repercussions on Demand

A similar tendency toward the curtailment of bacon consumption was referred to at the annual meeting of the Meadow Dairies Co., another big distributing organization. The theory behind these marketing schemes of Mr. Elliot was that the price of one commodity after another could, in the interests of the producer, be forced up by a limitation of the supply, but apparently little foresight was taken about the repercussions of such a policy on demand. Now the consumer is manifesting a disposition to assert himself and critics of the schemes assert that in the long run in the case of bacon and other products, not merely the retailers and the general public, but also the farmer will be penalized because if the consumption of a product falls off sharply owing to its dearness the producers will inevitably face a diminution of the returns for their labors.

Labor Sees Fallacy

The Laborites deride the Elliot schemes as ineffective palliatives and argue, as Sir Stafford Cripps did in his recent speeches in Canada, that they are based upon the fatal fallacy that distribution can be treated in a separate compartment from production, and the one process can be effectively socialized without interfering with the other. However, many of the Laborites wish Mr. Elliot godspeed on the ground that he is doing very useful spadework for them by educating the British farmers in some of the principles of state control and collectivist effort. Heretofore the farming community of Britain has been staunchly individualist and fearful of Socialist adventures, and in recent elections it has been the most solid voting buttress of the Conservative party.

So the Laborites believe that if the British farmers are once weaned from their old faith in individualist free competition by Mr. Elliot, it will be much easier to convert them to the merits of a fullblooded Socialist programme and to win rural seats which have hitherto been unresponsive to Socialist propaganda. The Laborites, if they came to power, would not discard the machinery now set up by Elliot but they would expand it by a system of import marketing boards and the establishment of some control over production.

Disliked by Older Tories

Under these circumstances most of the old-fashioned Tories regard Mr. Elliot as a dangerous political adventurer who is nothing but a Socialist in disguise and is rapidly dragging away the Conservative party from its ancient moorings. But his retort is that if the Capitalist system is to survive it must submit to radical readjustments and that it is better that these should be undertaken by Conservatives who will move with cautious circumspection and countenance no disturbing upheavals of business, than by wild-eyed reformers, who want to apply pet theories and are reckless about the consequences of their application. In this view he has the support of the younger and more progressive elements of the Conservative party who regard him as their natural leader But an asset, which will give even greater strength to his claims to the leadership of the Conservative party when the elder statesmen drop off is his tremendous popularity with the farmers; he learnt their ways and language in his boyhood and has never forgotten it and he still operates a large sheep farm on the Cheviot Hills. So they regard him as their special champion and the best Minister of Agriculture that Britain has known for many years.

Married "Margot's" Sister

Walter Elliot has had a uniformally successful political career since he returned to civilian activities, but he has had a terrible tragedy in his life, for he lost his first wife through a tragic accident while they were on their honeymoon in the Island of Skye. Now, after more than a dozen years of the widower's state, he has married Miss Katherine Tennant, a half-sister of the celebrated "Margot," Countess of Oxford and Asquith. The second Mrs. Elliot is a woman of great charm and ability, and what is more, she has been a zealous and active Liberal. So there is some natural speculation about what effect this second marriage will have upon Walter Elliot's political creed and career.

INTER. HOLDING "FISA" PURCHASE PROVES COSTLY

1933 Report Details Settlement and Changes in Balance Sheet

From Our Own Correspondent

MONTREAL.—Backing of guarantees in connection with "Fisa" and a lowering of income, resulted in International Holding and Investment Co. experiencing a net loss of $372,039 in 1933. This compares with a deficit of only $35,309 in the previous twelve months.

Total income of the company last year was $438,639, compared with $525,429 in 1932.

During the past year International Holding had again to disperse a substantial sum—$703,310—in respect of its "Fisa" guarantee, but during the period an arrangement was arrived at between the company and the Societe Financiere Internationale de la Soie Artificielle (FISA), the result of which would be the release of International Holding from its liability re its 1928 guarantee of dividends.

Effect on Finances

The effect of this arrangement, involving a reduction in the Fisa company capital, transference of certain of International Holding's assets to Fisa and subscription by the former to a new capital issue by Fisa is reflected in International Holding's balance sheet.

Profit and loss account figures for the past two years compare as follows:

	1933 $	1932 $
Total income	438,638	525,429
Less:		
Agents' fees, etc.	2,393	4,195
Gen. expenses	22,482	35,050
*Dividend	703,319	521,493
Other exp.	82,483	......
Net loss	372,039	35,309
Prev. surp.	1,545,487	896,199
Balance	1,173,448	860,890
Adjust.	......	684,597
P. & L. Bal.	1,173,448	1,545,487

*Per guarantee to "Fisa."

Write-off Losses

The balance sheet reflects a reduction in capital losses totalling $23,008,934, together with other adjustments in connection with the FISA settlement totalling $3,340,751.

As a consequence of this action, the balance sheet at the end of 1933 showed assets totalling $11,864,811 compared with $34,644,931 in 1932.

In the 1933 statements, investments on the books cost $27,383,082, against which was written off $16,152,293, leaving a book value of $11,230,788. In the previous year investments at cost amounted to $49,805,753, against which $16,152,293 had been written off, leaving a book value of $33,653,459.

Other assets in the 1933 balance sheet consisted solely of cash on hand amounting to $634,022. This compares with cash, loans, etc. of approximately $1,000,000 in the balance sheet of the previous year.

Stock Account Lowered

The principal change among the liabilities is a reduction in the common stock account from $33,044,701 to $8,817,197 as a result of the write-off on capital account.

The only other major change among the liabilities is the appearance of an advance of $1,863,750.

Maple Sugar Season Favored by Good Conditions

Reports from the maple sugar areas in the Eastern Provinces indicate that conditions are excellent for a good yield and a successful season is looked for. With farmers striving hard to obtain as great a quantity of any cash crop as is possible, activities are on a broader scale than in some years.

Although equipment has been greatly modernized during the last decade, the methods used in extracting the sap are the same as used by the Indians before the white man landed on this continent, according to a writer in the Montreal Gazette. Earliest reports on the industry were made by the first French settlers.

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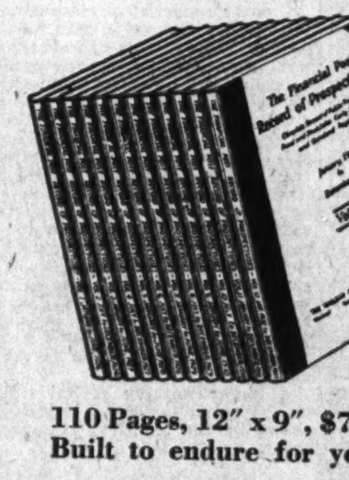

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OFFER GRANDORO ON B. C. MARKETS TO PAY MILL COST

Intensive Development is Planned, Say Group of New York Sponsors

From Our Own Correspondent

VICTORIA. — Grandoro Mines, which has been under development for some time past by David Sloan, Col. Victor Spencer and Bernard Smith of New York, made its initial public offering through coast brokerage firms.

The property, which lies in the Osoyoos district, 27 miles southeast of Penticton, has been developed by tunnels and shafts with well over 1,500 ft. of underground work completed.

Nine cars of ore were shipped to the Trail smelter during the year ending February 28, 1934, yielding between one and two ounces of gold to the ton. The lowest was .9395 and the highest 2.05.

Two hundred and fifty tons of similar ore is said to be sacked ready for shipment at the property in addition to 500 tons binned and 20,000 tons blocked out.

The property is under the management of W. V. Somerville, while David Sloan, managing director of the Pioneer Gold Mines will continue to give technical advice.

The public offering amounting to 400,000 shares will, it is reported, provide ample capital to prosecute an intensive development programme, provide finances to construct a mill and place the property in immediate production.

Officials of the company state that there are no liabilities, and that the treasury will receive 40 cents net of the funds raised by the public issue. Capitalization of the company is 2,500,000 shares of no par value of which 1,200,000 have been issued and are held in escrow. A total of 900,000 shares are under option.

IMPERIAL OIL AIDS GREAT BEAR AREA BY WELLS IN N.W.T.

Annual Report Shows Restricted Output Due to Legislation

Annual report of Imperial Oil Ltd. makes comment on the activities of the company's oil developments in the Turner Valley, stating the total output of crude oil and naphtha in 1933 was 790,916 bbls., as compared with 875,810 bbls. in 1932. The decrease is in accordance with the conservation regulations of the Alberta Government.

The company's share of this output was 430,198 bbls. or 54 per cent, of which 185,781 bbls. was of naphtha recovered by the new absorption plant, which started operation on April 26 last.

Restricted consumption was met by an extension of the territory in which products made from Turner Valley naphtha were sold. This policy entailed a reduction of the well prices to offset the higher freight rates which moving products into larger areas necessitated.

Controls 59 Wells

The refinery at Fort Norman, N.W.T., operated during the summer months and supplied gasoline and fuel oil to meet a definite and increasing demand from mining and transport operations in Mackenzie River and Great Bear Lake areas. The report credits the availability of petroleum products at Fort Norman with contributing materially to the development of these remote areas. It made possible important economies for prospectors, mine operators, and transport organizations.

The company controlled 59 oil and gas wells in Western Canada as at Dec. 31, 1933. Three of these are dry gas wells located at Dead Horse Coulee, Erickson Coulee, and Pouce Coupe and are at present shut in. There are 54 producing wells in the Turner Valley, and two at Fort Norman.

OFFICIALS CHEERED BY NEW SHOWINGS AT MILLER GROUP

Independence Mine Centre of Renewed Activity as Internal Troubles End

Development work in the Miller Independence Mine, at Boston Creek, south of Kirkland Lake, has been revived after many years idleness due to internal trouble. Claiming that this trouble is now cleared up, and sufficient funds made available to carry on, officials of the mine express entire satisfaction with developments on the 100-ft. horizon.

Diamond drilling a few years ago on No. 1 vein, showed gold and petzite telluride. On resumption of activities, the first thing done was to seek out the vein by a crosscut from C shaft. It was found the vein was apparently squeezed, as it showed only a three-foot width, as compared to a four-foot width indicated by the diamond drill. The vein was lying fairly flat, later straightened to 30 degrees, then dipped sharply to 45 degrees, and is now, officials claim, about six feet wide.

About 50 feet of drifting to the east had been completed to date, says an official statement, and about 30 feet to the west. Of the two, the east drift had been the most spectacular.

The report makes no attempt at an estimate of values, but claims that assays have been consistently high. Channel sampling will be attempted in the near future when further drifting has been done.

It is claimed that porphyry, similar to that found in Kirkland Lake, has come in on the hanging wall side of the vein.

Newmont Mining Reports $155,410 Profit for 1933

Annual report of Newmont Mining Corp. for the fiscal year ended Dec. 31, 1933, shows a net profit of $155,410, equivalent to 29 cents per share on the 531,646 shares outstanding, as compared with a loss of $655,334 in 1932.

Canadian interest in the company centres about its various exploration efforts under way including the Northern Empire Mines, which has completed the amalgamation and flotation plant near Jellicoe, Ontario, and began production March 13, 1934.

During 1933 Newmont added Pioneer Gold and Wright Hargreaves to its investment portfolio. Cariboo Consolidated Gold Mines was added to the list of companies with unlisted securities in which Newmont holds shares, as was also Island Mountain Mines Co., the name of the company under which Newmont is doing its exploration work in the Cariboo district.

In regard to the exploration in the Cariboo district near Barkerville, British Columbia, the report says that development of this district thus far has not been encouraging as to continuity of mineable ore, but the work of developing the claims under option is being continued and it is planned to erect a small mill to treat tonnage already developed.

The contingent liability of $300,000 due to underwriting of the Bralorne offering of shares to its stockholders has been discharged since December 31, 1933, and Newmont still holds its option, obtained under the underwriting agreement, to purchase 150,000 shares of Bradian Mines at $1.25 (Canadian) until August 1, 1935.

Northern Empire Mines Ships First Gold Brick

First gold brick was shipped from Northern Empire Mines operating the old Beardmore property in Thunder Bay district last week, R. J. Hendrick, mine manager reports. Backed by the Newmont interests, this mine was the first commercial producer in the Jellicoe area. Mr. Hendrick reports that an average of 80 tons a day is being handled by the mill, which started operations last month.

Casey Summit Third Level Averages 7.7 oz. Over 3.6 ft.

The first 37 ft. of drifting on the third or 300-ft. level of Casey Summit Gold Mines in the Patricia district, showed an average width of 3.6 ft. assaying 7.7 oz. of gold per ton. R. G. Williamson, president of the company informed The Financial Post. On the dip of the vein this gives backs of 470 ft. to the surface.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING APRIL 14

Range 1934 High	Range 1934 Low	Div. Rate in $	Yield in % Apr. 14	Stock	Sales	Close Apr. 9 (or last)	Week Ending Apr. 14 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
				W					
36	20	..	...	Wabasso Cot.	205	34	34	34	34
57½	40½	..	...	Walker-Good.	4795	43½	44½	42½	42½
17½	16½	1	6	Do. pref.	2394	16½	16½	16½	16½
8.65	3.90	..	...	Walkerville Br.	6660	8.50	8.60	8.00	8.25
4	2	..	...	Waterloo Mfg.	75	3	3	2½	3
x80	75	7	...	W. Koot. Pr. p	....	..	..	..	..
8½	6½	..	...	West. C. Flour	30	6½	6½	6½	6½
60	48	3	6	Do. pref.	10	55	50	50	50
32	30	..	...	West. Grocers	24	31	32	30	32
87	85	7	8	Do. pref.	....	87	..	..	..
37½	28	1	2.7	Weston Bisc.	4095	32½	37½	32½	37
102	88½	7	6.9	Do. pref.	4	100	101	101	101
5	3½	..	...	Whittall Can	85	4½	4	4	4
62	35	6.50	10.8	Do. pref.	65	62	60	55	60
2	2	..	...	Windsor Hotel	....	2	..	..	..
15	5½	..	...	Do. pref.	....	10	..	..	..
4	1½	..	...	Winnipeg Elec.	470	2½	3½	2½	3½
12	4	..	...	Do. pref.	105	10½	10	9½	10
40	20	..	...	Woods Mfg. p	....	35	..	..	..
				Z					
5½	4	..	...	Zimmerknit, c.	....	5½	..	..	..
50	50	..	...	Do. pref.	....	50	..	..	..

§ Quotations for 1933. No sales recorded in 1934 to date.
x Quotations for 1932.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
* See "Unlisted Stocks" also.
° Plus 25c. on arrears paid April 2.
a Plus 75c. on arrears paid April 2.
^ On account of arrears.
• Plus extra of 87½c. paid Jan. 31.
■ Plus $3.50 on arrears paid Feb. 15.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto.

April 17, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	2.20	2.60
Acadia Sugar pfd.	4.30	4.60
Allens London pfd. bonus c.	35.00	....
Allens St. Cath. pfd. bonus c.	35.00	....
Allens Toronto pfd. bonus c.	28.00	....
Andian National	30.75	31.50
Atlas. Sugar pfd.	88.00	92.00
B.C. P. & P. pfd.	....	8.00
Burns pfd. bon. c.	7.00	....
Can. Dom. Sugar	45.50	....
Can. Machinery c.	1.50	2.00
Can. Mach. pfd.	9.00	15.00
Canada Packers c.	42.50	45.00
Can. Packers pf.	100.75	102.50
Can. Starch c.	7.50	....
Can. Starch pfd.	77.50	....
Can. W. & Cable pfd. WW	81.00	83.00
Can. Indust. A	150.00	....
Can. Indust. B	158.00	162.00
Can. Indust. pfd.	137.00	140.00
Can. Westing'se	47.25	48.25
Chase pfd. bon. c.	19.25	23.00
Claude Neon Gen. Adv. Units	4.00	6.00
Comm. Fin. pfd. bonus c.	9.75	....
Copeland Fl. Units	4.15	6.25
Dom. F. & Steel c.	8.50	9.50
Dom. F. & Steel p.	61.00	....
Dom. Manufac. pf.	66.00	....
Dom. Woollens c.	2.50	3.50
Dunlop Tire pfd.	68.50	....
East. Dairies pfd.	11.75	....
Easy Wash. pfd. (Old)	15.25	....
Federal Grain pf.	18.00	21.00
For. Power Sec. p.	9.00	12.00
Gen. Steel pfd.	24.25	26.50
Goderich Elev. & Transit	7.00	8.25
Green. Wire pfd.	66.00	70.00
Guelph Carpet pf.	80.00	83.00
Guelph Carpet c.	10.00	12.50
Harding Carpets Units	17.00	21.00
Hayes Wheels pfd.	10.00	....
Highland Dairy p.	64.50	70.00
Inter City Bak. c.	13.00	15.00
Inter. Paints pfd.	13.00	15.50
Inter. Propriet. A	35.50	37.00
Langley's pfd.	55.50	60.00
Loew's Lond. pfd.	3.00	4.00
Loew's Toronto p.	68.50	75.00
Mansfield Thea. p.	34.00	....
Massey-Harris pf.	22.25	23.50
Nat. Grocers c.	4.87	5.25
Nat. Grocers pf.	103.00	....
New Meth. Laund. pfd.	35.50	....
Para. Kitchener p.	24.00	....
Para. Oshawa pf.	41.00	....
Prov. Paper pfd.	81.00	....
Reliance Grain pf.	50.00	55.00
Rob. Cons. Cone	8.50	9.50
Rolland Paper pfd. WW	76.00	79.50
Ruddy, E. L. pfd.	13.00	....
Serv. Stat. A pfd.	52.50	....
Standard Clay c.	....	15.50
Stand. Fuel pfd. bonus	86.50	....
Supersilk pfd. bon.	48.50	....
Supertest Pet. B pfd.	23.00	25.50
Thayers pfd.	38.00	40.00
United Corpns. A	12.00	14.00
United Corpns. B	5.00	7.50
West. Grain pfd. bonus	6.50	9.00
Willards Choc. pf.	10.00	....
Wood, Alex. & J. pfd.	19.00	24.00
Zimmerknit com.	4.00	5.25
Zimmerknit pfd.	51.00	....

Insurance Stocks:	Bid	Asked
Brit. Amer. Assce.	24.50	29.00
Canada Life	437.00	....
Can. Fire	55.50	59.50
Confed. Life 20% pd.	122.00	129.00
Cent. Life 20% pd.	36.00	42.50
Crown Life	102.50%	....
Dom. Fire	84.50	....
Dom. Life 50% pd.	165.00	....
Dom. of Can. Gen. Ins.	100.00	110.00
Empire Life 25% pd.	9.00	....
Excel. Life 20% pd.	73.50	79.00
Fed. Fire. 25% pd.	35.00	....
Great-West Life	332.00	....
Guar. of N. A. fully paid	202.00	225.00
Guar. of N. A. 20% pd.	41.50	....
Imperial Life	287.00	....
Manufac. Life	220.00	230.00
Monarch Life 10% pd.	17.50	20.00
National Life 25% pd.	59.50	....
Sov. Life 25% pd.	17.25	20.00
Sun Life	470.00	485.00
Tor. Gen. Insce.	5.25	....
Traders Fin. A pf.	40.50	....
Western Assur. c.	23.00	....
West. Life 20% pd.	9.00	12.00
Trust & Loan Stocks:		
Br. Mtge. & Tr.	134.00	150.00
Chartered Trust	64.00	68.50
Eastern Trust	140.00	....
Lond. & West. Tr.	....	42.00
Premier Trust	85.00	....
Sec. Loan & Sav.	101.00	....
Sterling Trust	....	45.00
Trusts & Guar.	39.50	44.00
Vic. Tr. & Sav.	125.00	140.00
Waterloo Tr. & S.	78.00	....
Investment Trust Shares:		
Can. Gen. Invest. ex-div.	.550	5.70
Can. Int. Inv. Tr. Units	19.25	....
Can. Invest. Fund	3.45	3.65
Can. Investors	5.50	6.50
Cons. Div. Stand. Sec. pfd.	11.00	13.50
Deb. & Sec. pfd.	20.00	....
Dom. & Anglo In. Units	190.50	....
Dom. Scottish Inv. Units	18.00	21.00
Invest. Foundation Units	38.00	....
Sec. Holding Un.	9.50	12.00
Power Issues:		
Calgary Pwr. pfd.	88.00	91.00
Can. L. & P. c.	27.00	34.00
Can. W. Nat. Gas L. H. & P. pfd.	88.00	91.00
Gt. Lakes pr. pfd.	38.50	....
Marit. T. & T. pfd.	12.25	13.00
N. B. Telephone c.	9.00	10.25
N. S. L. & P. c.	25.50	....
N. S. L. & P. pfd.	77.00	....

Recent London Quotations:	
Brit. Col. Tele., pfd.	$100
Brew. & Distillers	9s.
Can. & For. Secs.	5s. 6d.
Can. Collier, A. inc. stk.	36
Do., B	6
Can. N. W. Land	£1½
Can. West. Lumber	1s. 7½d.
Hudson's Bay	25s. 6d.
Do., 5% pref.	98s. 9d.
Internat. Holdings	$2-3/16
Nfld. Pr. & Pap. deb. stock B 5½%	102
Tor. Sub'an 4½% deb. stk.	20
Trust and Loan	1/16

Dividends Declared

	Present Annual rate	Amt. this payments	Date payable	Date of record
Bank of Toronto	$10	$2.50	June 1	May 15
Beatty Bros., pref.	6%	1½%	May 1	Apr. 14
Belding Corticelli, c.	$4	$1	May 1	Apr. 14
B. C. Telephone, 2nd pref.	$6	$1.50	May 1	Apr. 15
Canada Northern Power, c.	$1	25c	Apr. 25	Mar. 31
Can. Iron Foundries, pfd.	$3	$1.50	Apr. 30	Apr. 15
Can. Dredge & Dock, pref.	7%	1¾%	May 1	Apr. 19
Can. Industries, com. A	$3.50	87½c	Apr. 30	Mar. 31
Do., com. B	$3.50	87½c	Apr. 30	Mar. 31
Canadian Bronze	60c	15c	May 1	Apr. 20
Do., pref.	$7	$1.75	May 1	Apr. 20
Calgary Power, pfd.	6%	1½%	May 1	Apr. 14
Canadian Converters	$2	50c	May 15	Apr 30
Can. Invest. Fund, ord.	..	8½c	May 1	Apr. 16
Community Trusts	$2.50	62½c	Apr. 15	Mar. 20
Dominion Bridge	$2	50c	May 15	Apr. 20
Dome Mines	$1	25c	Apr. 20	Mar. 31
Do., extra	..	25c	Apr. 20	Mar. 31
First All Canadian Tr., c. (Coupon No. 2)	..	7c.	Apr. 15	....
Hollinger Gold	65c	5c	Apr. 23	Apr. 6
Do., extra	...	5c	Apr. 23	Apr. 6
Humberstone Shoe	$2	50c	May 1	Apr. 14
Imperial Bank	$10	$2.50	May 1	Mar. 31
Inter. Nickel, pref.	7%	1¾%	May 1	Apr. 3
Inter. Utilities, prior pfd.	$3.50	87½c	May 1	Apr. 20
Do., pref. (1931)	$1.75	43¾c	May 1	Apr. 20
Langley's, pref.	...	1¾%	May 15	Apr. 30
Montreal L. H. & Pr.	$1.50	37c	Apr. 30	Mar. 31
Mortgage Corp.	7%	1¾%	May 1	Apr. 24
Neon Prod. of W. Can., pfd.	$3	75c	May 1	Apr. 15
Northern Ontario Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
National Grocers, pfd.	*	$1.75	May 1	Apr. 20
Paton Manufacturing, pfd.	$7	$1.75	Mar. 15	Feb. 28
Penmans	$3	75c	May 15	May 5
Do., pref.	$6	$1.50	May 1	Apr. 21
Quebec Power	$1	25c	May 15	Apr. 25
Royal Bank	$8	$2	June 1	Apr. 30
Royal Trust	$3.20	80c	Apr. 30	Apr. 30
Russell Motor Car, pref.	4%	1%	May 1	Apr. 20
Simpson, Robt., pfd.	$6	$3	May 1	Apr. 16
Steel of Canada	$1.20	30c	May 1	Apr. 7
Do., pref.	$1.75	43¾c	May 1	Apr. 7
St. Lawrence Flour	$1.50	37½c	May 1	Apr. 20
Do., pref.	$7	$1.75	May 1	Apr. 20
Stop & Shop, pref.	†	25c	Apr. 16	Mar. 31
Southern Can. Power, c.	80c	20c	May 15	Apr. 30
United Gold Equities	...	2½c	Apr. 20	Apr. 10
Teck-Hughes	60c	15c	May 1	Apr. 10
Weston, pref.	$7	$1.75	May 1	Apr. 30

†Initial. *On account of arrears.

Winnipeg Stock Exchange

(Transactions for week to April 14)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Apr. 14
..	..	Clover Gold	1	35.50	35.50	35.50
..	..	Crescent Cream., pfd.	10	22	22	22
..	..	Forty-Four	165	8.50	8.25	8.25
..	..	Gabrielle	2,300	.66	.61	61
..	..	Island Lake	38,750	.20	.10	.20
..	..	Grouped Income Shs.	25	4.30	4.30	4.30
..	..	Long Lac Lagoon	1,000	.34	.31	.31
..	..	Manitoba & Eastern	2,300	.23½	.22½	.23½
..	..	McLeod Cockshutt	1,600	.46	.43	.44
..	..	Oro Grande Units	2	98.00	90.00	98.00
..	..	Oro Grande	3,000	.11	.08½	.11
..	..	Pickle Crow	100	.88	.88	.88
..	..	Nipigon	500	.30	.30	.30
..	..	Scotia Gold	1,500	.40	.35	.35
..	..	Smelters Gold	600	.34	.33	.34
..	..	Traders Building	36	65	65	65
1	10.3	United Grain Gr.	22	10	9¾	9¾
..	..	Wingold	2,200	.50	.50	.45
..	..	Wylie Dominion	1,700	.75	.50	.54
7	8.2	Western Grocers, pfd.	13	85	85	85

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Northern Trust	10	..
Beaver Lumber, pref.	..	63	Traders Bldg. Assn.	65	..
Do., com.	..	3½	Can. Amer. Tr. shs.	2½	3½
Can. Fire Insur.	55	..	Can. Inv. Fund	..	3.65
Gt.-West Life	320	..	Fundamental Ser. A	..	4½
Home Investment	20	..	Fundamental Ser. B	..	4½

*Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending April 16, 1934

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1934 High	Range, 1934 Low
Mtl. L.H.&Pr debs	3	1939	3.96	45½	46	45½	46½	43½
McNish	6	1948	...	3.75	3.25	...	4.25	3.25
Montreal Trams A	5	1955	6.56	...	82½	82½	84½	75
Unlisted								
Cons. Paper	5½	1961	...	...	22	19½	23½	13½
Price	6	1943	...	...	95½	...	96½	85½

Canadian Mining Share Quotations, Page 19

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto.

April 17, 1934

Industrial Bonds—		Bid April 17	Asked April 17	Bid April 10
Abitibi P. & P. 5% 1953	F	42.25	42.25	40.00
Abitibi P. & P. C.O.D.	F	39.50	40.50	37.25
Acadia Sugar 6% 1946		99.00	100.50	99.25
Alta. Pacific Grain 6% 1946		77.00	80.00	75.50
American Sales Book 6% 1939		99.00	....	99.00
Asbestos Corp. 6/41 ex-stock	F	59.00	61.00	59.00
B. A. Oil 5% 1945		102.25	103.75	102.00
B. C. Pulp 6% 1950	F	65.00	68.00	64.00
Burns 5½% 1948	F	42.00	44.00	37.50
Can. Biscuit 6½% 1946 WS	F	38.50	40.00	36.00
Can. Bread 6% 1941		87.00	90.00	86.00
Can. Cement 5½% 1947		90.75	92.00	89.75
Can. Steamship 6% 1941	F	32.25	33.50	34.75
Can. Canners 6% 1950		101.25	102.50	101.00
Can. Copper Refin. 6% 1945		107.00	109.00	107.00
Can. Cottons 5% 1940		99.50	....	100.00
Can. Goodrich Income 7/43	F	25.50	....	25.00
Can. Rail & Harbor 6½/51	F	28.50	31.00	27.50
Can. Vickers 6% 1947		59.00	62.00	57.50
Cons. Invest. 4½% 1959	F	73.00	75.50	72.50
Debenture & Sec. 4% 1936		73.00	....	73.00
Dom. Tar & Chemical 6% 1948		92.00	94.00	88.00
Dom. Telegraph 5½% 1978 A		92.00	96.00	92.00
Dom. Textile 6% 1949		106.75	....	107.00
Dom. Woollens 6% 1948	F	38.00	41.00	38.25
Donnacona Paper 5½% 1948	F	49.00	51.00	47.00
Eastern Dairies 6% 1949		66.50	69.00	66.00
Famous Players 6% 1948		90.50	92.50	91.00
Federal Grain 6% 1949		75.00	78.00	75.00
Firestone Tire 7% 1957		99.50	....	100.25
Fraser Co. 6% 1950	F	41.00	42.50	41.50
Galt Brass 7½% 1941	F	26.00	....	25.50
Gen. Steel Wares 6% 1952		76.00	77.00	75.50
Great Lakes 6% 1950	F	40.00	41.25	39.75
Gypsum, Lime & Alab. 5½% 1948		74.00	76.00	74.00
Hamilton By-Prod. 7% 1943		100.50	102.25	100.25
Harris Abattoir 6% 1947		102.50	103.50	102.75
Howard Smith 5½% 1953		91.75	93.00	92.00
Lake St. John 6½% 1947	F	55.25	56.50	52.50
Lake St. John 6½% 1942	F	26.00	27.50	24.50
Loew's Toronto 6% Serial		96.50	100.00	96.50
Maple Leaf Milling 5½% 1949		31.00	34.00	33.00
Massey-Harris 5% 1947		72.50	74.00	73.00
McColl-Frontenac 6% 1949		100.25	101.50	99.00
McKinnon Industries 6½% 1945		98.50	....	99.00
Mercury Mills 6½% 1953		64.00	....	63.50
Minn. & Ont. 6% 1945-60 C.O.D.	F	21.00	22.00	19.00
Price Bros. 6% 1943	F	98.25	100.00	94.00
Provincial Paper 5½% 1947		95.25	97.00	95.00
Restigouche 6% 1948	F	68.00	70.00	66.00
Simpsons Ltd. 6% 1949		97.50	99.00	97.00
Steel of Canada 6% 1940		106.50	....	106.50
Stop & Shop 6% 1947		82.00	....	80.50
Toronto Carpet 6% 1944		98.00	100.00	98.00
United Corpns. 5% 1953	F	77.00	....	76.00
United Gas & Fuel 5½% 1948		88.50	91.50	88.50
United Grain Growers 5/48		81.00	83.00	80.00
United Grain Growers 5½/40		84.00	....	83.00
Wabasso Cotton 7% 1942		88.50	....	88.00
Public Utility Bonds—				
Beauharnois Pwr. 5% 1973	F	50.50	51.25	51.50
Bell Telephone 5% 1955		107.25	108.75	107.75
B. C. Power 5½% 1960		100.00	101.25	99.75
B. C. Telephone 5% 1960		100.00	101.25	99.50
Calgary Power 5% 1960		93.25	94.50	92.50
Can. Northern Pwr. 5% 1953		92.50	94.00	92.75
Dom. Gas & Elect. 6½% 1945		69.00	72.00	64.00
Duke-Price Pwr. 6% 1966		94.25	96.00	94.25
French Natl. Mail SS 6/52		141.00	....	141.00
Gatineau Pwr. 6% 1941 A		87.00	87.75	87.50
Gatineau Pwr. 5% 1956		91.00	92.00	91.00
Maclaren Quebec 5½% 1961		96.25	97.00	95.00
Manitoba Power 5½% 1951		58.00	61.00	48.00
Montreal L. H. & P. 5% 1951		108.00	109.00	108.00
Montreal Tram 5% 1941 July		100.25	101.25	100.00
Northwest. Utilities 7/38		98.00	101.00	97.00
Ottawa Valley Pwr. 5½% 1970		103.50	105.00	103.50
Quebec Power 5% 1968		99.00	100.50	99.00
Rio Tramways 5% 1935		105.00	....	105.00
Shawinigan W. & P. 5% 1970		97.25	98.50	97.00
Shawinigan W. & P. 6% 1937		101.50	102.75	101.25
Southern Can. Pwr. 5% 1955		101.50	....	101.50
West Kootenay Pwr. 5% 1956		104.25	105.50	103.25
Realty Bonds—				
Albert Bay 6½% 1942		62.00	....	58.00
Balfour Bldg. 6% 1943		42.50	47.00	42.00
Bloor St. George 7% 1946	F	37.50	....	33.00
Clarendon Apts. 7% 1946	F	31.00	36.00	29.00
Clarendon Properties 7/44	F	25.00	....	25.00
Dominion Square 6% 1948	F	53.00	55.00	52.00
Eaton Realty 5% 1949		95.50	97.00	94.25
Godfrey Realty 5% 1949	F	35.00	40.00	33.50
General Brock Hotel 6/48	F	28.00	32.00	28.50
King Edward Hotel 7% 1944	F	5.00	....	....
London Realty 6½% 1950	F	63.00	66.00	63.50
Lord Nelson Hotel 4% 1947		56.00	58.00	55.50
Mayor Bldg. 6½% 1942	F	41.00	....	39.50
Metropolitan Bldg. 7% 1944		95.50	....	95.50
National Realty 7% 1945	F	26.00	29.00	26.00
Northern Ontario Bldg. 6½/39		90.00	....	89.00
Ontario Bldg. 3½% 1943	F	40.50	42.00	39.50
Richmond Bay 6½% 1947		78.00	....	77.00
York Bldg. 6% 1943		72.00	....	72.00
Government, Provincial & Railway—				
C. N. R. 4½% 1957 Dom. Gtd.		104.75	105.50	104.25
C. N. R. 5% 1969 Dom. Gtd.		109.25	110.00	109.25
C. P. R. 4½% 1944		88.00	89.25	88.50
C. P. R. 6% 1942		114.00	115.50	113.50
Dom. of Can. 5% 1936		105.00	105.75	104.50
Dom. of Can. 5% 1941		107.50	108.50	107.00
G. T. P. 3% 1962 Dom. Gtd.		90.50	91.75	90.00
G. T. P. 4% 1962 Dom. Gtd.		101.00	102.00	100.25
Ont. Hydro 3½% 1952 Ont. Gtd.		96.50	97.75	96.00
Ont. Hydro 4% 1957 Ont. Gtd.		99.00	100.25	98.50
Prov. of N. B. 5½% 1950		108.00	....	107.50
Prov. of Ont. 5½% 1946		111.25	112.25	110.75
Prov. of Ont. 4½% 1944		105.00	106.25	104.75
Prov. of Ont. 5% 1948		108.25	109.25	107.75

F—Traded without accrued interest.

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., 320 Bay St., Toronto

April 17, 1934

	Rate	Due	Bid	Asked	Yield
*†Dominion	5	1 Mar., 1937	107.00	107.50	2.24
†Dominion	5½	1 Dec., 1937	109.75	110.25	2.52
Dominion	5½	1 Nov., 1934	101.50	101.75	2.21
Dominion	3½	15 Oct., 1935	101.10	101.45	2.50
Dominion	4	15 Oct., 1935	101.75	102.15	2.58
Dominion	5	15 Nov., 1936	105.10	105.35	2.88
Dominion	4	15 Oct., 1939	102.00	102.40	3.52
Dominion	4½	1 Sept., 1940	105.00	105.50	3.52
Dominion	5	15 Nov., 1941	107.95	108.25	3.74
Dominion	5	15 Oct., 1943	108.00	108.50	3.93
Dominion	4½	15 Oct., 1944	105.00	105.35	3.87
Dominion	4	15 Oct., 1943-45	101.60	101.80	3.76
Dominion	4½	1 Feb., 1946	105.00	105.35	3.94
Dominion	4	15 Oct., 1947-52	101.65	101.85	3.82
Dominion	4½	1 Nov., 1946-56	104.15	104.65	4.02
Dominion	4½	1 Nov., 1947-57	104.15	104.65	4.05
Dominion	4½	1 Nov., 1948-58	104.35	104.85	4.05
Dominion	4½	1 Nov., 1949-59 (with talons)	104.75	105.25	4.08
Dominion Guaranteed Bonds					
xCan. Nat. Ry.	4½	1 Sept., 1951	107.00	107.50	3.90
*Can. Nat. Ry.	4½	1 July, 1957	104.75	105.25	4.15
Can. Nat. Ry.	5	1 Feb., 1954	108.75	109.25	4.31
xCan. Nat. Ry.	4¾	15 June, 1955	108.50	109.00	4.12
*Can. Nat. Ry.	4½	1 Feb., 1956	107.00	107.50	3.98
*Can. Nat. Ry.	4½	1 Dec., 1968	104.75	105.25	4.21
xCan. Nat. Ry.	5	1 Oct., 1969	110.50	111.00	4.24
xMontreal Harbour Cm.	5	1 Nov., 1969	110.75	111.25	4.23
Provincial Government Bonds					
*Alberta	4½	1 Oct., 1956	87.50	89.50	5.30
Alberta	6	1 Mar., 1947	100.00	101.00	5.89
*British Col.	4½	1 Oct., 1953	85.00	87.00	5.80
British Col.	5½	1 Feb., 1945	94.50	95.50	6.07
British Col.	6	15 Feb., 1947	98.00	99.00	6.11
xManitoba	5	2 Dec., 1959	94.50	95.50	5.32
Manitoba	5½	1 Oct., 1955	96.50	97.50	5.70
Manitoba	6	1 Apr., 1947	100.00	101.00	5.89
*N. B.	4¾	15 Apr., 1960	102.25	103.50	4.52
N. B.	5	2 July, 1963	104.50	105.50	4.66
N. B.	5½	15 May, 1950	108.50	109.50	4.67
N. Scotia	4½	15 May, 1942	101.75	102.50	4.17
*N. Scotia	5	1 Mar., 1960	107.25	108.25	4.46
xOntario	4	1 June, 1962	99.50	100.50	3.97
xOntario	4½	1 Sept., 1944	105.00	105.75	3.83
Ontario	4½	1 June, 1950	103.75	104.25	4.14
xOntario	5	2 Dec., 1960	111.25	111.75	4.26
Ontario	5½	1 July, 1946	111.25	111.75	4.28
Ont. H. C.	3½-4-5	1 Oct., 1952	96.75	97.25	4.16
xOnt. H. C.	4	1 Aug., 1957	99.50	99.75	4.02
Ont. H. C.	4¾	1 Jan., 1970	105.75	106.75	4.37
Quebec	4½	1 Aug., 1958	102.25	102.75	4.07
Sask.	5	1 Aug., 1958	88.50	90.00	5.77
*Sask.	5	1 Nov., 1959	89.00	91.00	5.67
Sask.	5½	1 Oct., 1952	94.50	96.00	5.86
Sask.	6	15 Mar., 1952	97.50	99.00	6.00
Municipal Bonds					
*Calgary	5½	2 June, 1944	91	93	6.43
*Edmonton	5½	1 Nov., 1945	90	92	6.50
*Halifax	5	1 July, 1961	106½	108	4.49
Hamilton	5	1 May, 1950	104½	106	4.47
Montreal	5	1 Mar., 1945	99½	101	4.88
Ottawa	4½	1 July, 1945	101½	103	4.17
*Quebec	5	1 June, 1959	100	102	4.87
Regina	5	1 July, 1944	80	85	7.04
St. John	5	15 Dec., 1950	105	106½	4.45
*Toronto	4½	1 Jan., 1955	101	102½	4.32
Victoria	5	21 July, 1945	89	92	5.97
Winnipeg	5	1 Mar., 1944	93	95	5.86

‡ Calculated on offering prices.
† Tax Exempt Issues. *Payable in Canada and New York.
x Payable in Canada, New York and London.

News of Canadian Mining Investments

The Week in Mining

"Chewing Gum" Mining

IS CANADA'S mining, like the chewing gum industry, due in the main to the pennies and dimes of the Canadian public?

Speaking over the air recently, John H. Roberts, publisher and editor of Canadian Mining Reporter, took this view, and attempted to show that it was the man in the street, who gambled his small stake in penny stocks, that had chiefly lifted the mining industry into the position it now holds, as Canada's second greatest industry.

With all due respect to Mr. Roberts, the history of Canadian mining is overwhelmingly opposed to his point of view. While from a sentimental angle, it would be a fine thing to be able to say that the rank and file of Canadians had supported mining, making it a kind of People's Own Industry, a glance at the records of Canada's major producers will show that it was and is the Big Money, the expensive shares, by monied interests, that have enabled the key mines to carry on until the profitable production stage has been reached. Mr. Roberts to the contrary, it is just at the pre-production stage that high finance has been called upon to tide the development over until profits can be shown on paper. It is the big man, the man who can afford to investigate thoroughly, who can afford to back what to a poorer man would be a dark horse. He is able to pay for the exhaustive analysis and surveys which should precede every major mining investment.

A glance at the major mines and their background makes this point abundantly clear:—

Premier Gold Mining Co., the largest gold-silver producer in British Columbia, was financed throughout its development stage by the Wilson-Trite interests. Sullivan mine, one of the largest lead-zinc mines in the world, near Kimberley, B.C., is owned by the Consolidated Mining & Smelting Co., whose vast resources, backed by those of the C. P. R., nursed this mine through its earliest stages. Hudson Bay Mining & Smelting Co., whose development of the Flin Flon area forms an epic in Canadian mining history, was backed by the Whitney millions, after the property had been passed up by others.

Howey and Patricia were both saved from financial ruin by big finance, which Mr. Roberts refuses to credit for the high status of mining in Canada. Teck-Hughes was financed and pulled through to production by a $600,000 bond issue. The small man might have been squeezed out entirely if it had not been for the consideration of the management.

In his address, Mr. Roberts mentioned Lake Shore as proving his point for the penny stock. He bases this on the fact that in 1916 Lake Shore sold at one period for 40 cents a share. This hardly puts this productive enterprise in the penny stock class. International Nickel, and Noranda both are the products of so-called big money.

These and other instances could be produced, almost indefinitely to show that while it might be a very nice thing for a salesman of penny stock to credit small investors with being the backbone of the mining industry, fact, uninterested in such sales, proves the contrary.

It may or may not be significant that Mr. Roberts, contrary to his previous broadcasts, failed to mention any particular stock by name in last week's talk.

* * *

Market Steady for Week

LEADING dividend payers among Canadian gold mining stocks held a strong price position during the past week, although a decline in volume of sales amounting to about 50 per cent was noticeable.

Probably due to reports of higher earnings in annual statements, and to rumors of higher prices for base metals, these stocks, led by Hudson Bay Smelters, also retained an aggressive position.

Both International Nickel, and Noranda, in the base metal field, followed the example of Hudson Bay, retaining an enviable position. International Nickel closed the week at $27.25 and Noranda at $43.65.

B. C. MINING CLASS ATTENDED BY 1,500

Government Implements Its Promise to Aid Industry and Encourage Prospectors

From Our Own Correspondent

VANCOUVER.—Active co-operation is being given to the mining industry by the British Columbia government, chiefly as a result of the Special Powers Act which, among many other things, promised development of natural resources and greater utilization of natural products of the province.

As a first step a party of government engineers will be sent to the recently developed field near Bellingham, Wash., to study methods adopted there with a view to similar operations in various areas of B. C. where there have been favorable oil indications.

Fifteen hundred persons qualified for the free mineralogy and geology classes conducted jointly by the departments of mining and education this spring, indicating a growing interest in mining and the recruiting of a great many more prospectors than in past years.

New Ore Body Brightens Prospects for Dentonia

From Our Own Correspondent

VICTORIA.—The opening up of a new ore body which gave spectacular assays soon after power was turned on at the mill, has brightened prospects considerably for the Dentonia Mines.

Estimates of earnings have been placed by the management at $35,000 per month. After allowance for depreciation and depletion, the net profit, according to the estimate, should be at least $30,000 on the basis of a tonnage of 100 tons a day.

There is blocked out approximately 30,000 tons of ore not taking into account the ore known to exist in the old workings now being dewatered.

Dome Mines Reports $3.21 Per Share Profit Best in 24 Year History

Ore Reserves Up But New Developments Not Reassuring

SINKING DEEPER

Liquid Position Good With Current Assets Equivalent to $8.15 Per Share

Annual report of Dome Mines, pioneer gold producer in the Porcupine district of Ontario, reflects the most profitable year in the company's 24 years' history with greater production, higher profits, and highest ore reserves ever reported. For the fiscal year ended December 31, 1933, net profits totalled $3,062,657, equivalent to $3.21 per share on the 953,334 shares outstanding as against dividend requirements of $1.95 per share. This compares with a net profit of $853,671 or 90 cents per share in the previous fiscal year.

Total Value $6,266,957

Not only was the normal value of the gold produced the highest in the company's history, but with exchange compensation added it totalled $6,266,957 as against $4,040,318 in 1932.

The following tabulation gives comparative income and surplus account figures for the past two years:

	1933 $	1932 $
Bullion production ...	6,266,957	4,040,318
Less operating exp.:		
Mining	746,915	709,004
Devel. & explor. ...	402,965	444,268
Crush. & conveying	96,788	96,187
Milling	528,310	608,446
Adm. & gen. exp. .	209,017	174,383
Insurance	15,832	16,095
Taxes	37,982	23,930
Operating earnings ..	4,229,148	1,958,005
Add non-oper. revenue:		
Disc. earned	1,185	834
Miscell.	16	285,913
Divid. rec.	93,040	20,836
Bond int. rec.	206,400	212,520
Misc. int.	5,862	7,129
Less: Exch. (net)	161,533	......
Net earnings	4,374,118	2,485,237
Less: Res. for taxes ..	523,110	288,970
Reserve for deprec. .	200,000	200,000
Depl. of claims	......	......
Outside explor. w/o	21,926	64,866
Conting., secs., etc. .	500,000	1,077,730
Divi. taxes	66,425	......
Net profit	3,062,657	853,671
Less dividends	1,859,001	1,334,668
Surplus for year	1,203,656	*480,997
Add: Previous surplus	1,614,591	2,202,809
	2,818,247	1,721,812
Less: Bonus to empl. .	26,325	23,825
Spec. silicosis assess.	......	83,396
Bal. carried forward .	2,791,922	1,614,591

* Deficit.

Earnings per Share and Dividend Record:		
Earned	$3.21	$0.90
Paid	1.00+0.95	1.00+0.40

Dividends Total $18,936,179

Indications are that the exchange compensation was equivalent to $1,742,932 as compared with $285,913 in the previous year, accounting for almost 50 per cent of the profit for the year. Reserve for depreciation stood at the same figure as during the past three years—$200,000. One item that served to boost the earnings about 50 cents per share was the reduction in the provision for contingencies and security prices. This year it is shown at $500,000 as compared with $1,077,730 in 1932.

Dividends totalling $1,859,001 or $1 per share regularly plus a bonus of 95 cents were paid, bringing the total dividend disbursements since 1915 to $18,936,179.

Mined 566,400 Tons

H. P. DePencier, vice-president and general manager of the company, reported that out of the 566,400 tons of ore hoisted 19,900 was sorted out as waste. The origin of this ore together with the broken ore remaining in the stopes is given as follows:

Level:	Tons mined	Grade dwt.	Broken tons remaining
Open pit	12,112	6.58	15,000
Third	59,281	...	21,300
Sixth	43,004	...	16,000
Eighth	58,193	7.91	4,000
Tenth	118,497	...	136,300
Eleventh	61,558	...	60,900
Twelfth	90,431	...	116,600
Thirteenth ...	44,125	...	83,010
Fourteenth ...	4,597	...	20,300
Fifteenth	2,458	10.25	15,300
Sixteenth	140	6.67	14.500
Nineteenth ...	201	4.50	900

Has Produced $54,926,705

A noticeable fact in the production summary was that the grade of ore treated was the highest in the past ten years notwithstanding the present price of gold, which has led most producers to treat a lower grade of ore. Dome's grade has been steadily increasing since 1931.

The following tabulation gives production from the inception of operations:

*Production Summary Years Ended Dec. 31

	Tons milled	Total value	Recovery per ton
1910	247	$ 4,355	$17.60
1911	......	4,277	20 66
1912	75,088	737,499	9.82
1913	131,149	1,242,625	9.32
1914	221,390	1,059,238	4.33
1915	317,740	1,530,287	4.81
1916	444,900	2,153,820	4.84
1917	359,570	1,480,174	4.15
1918	clean-up	82,127	...
1919	187,580	1,290,301	6.87
1920	295,220	2,020,568	6.84
1921	335,680	2,290,264	6.82
1922	368,400	4,178,936	11.35
1923	399,800	4,374,144	10.94
1924	493,400	4,307,624	8.73
1925	530,200	4,365,923	8.23
1926	555,700	3,940,653	7.09
1927	543,300	4,031,575	7.42
1928	548,000	3,915,051	7.14
1929†	452,900	3,590,537	7.58
1930†	67,600	774,943	5.89
1931	542,600	3,512,066	6.43
1932	536,450	4,040,318	7.53
		$54,926,705	

*Ontario Department of Mines report—gold at $20.67 per oz.

†Production includes recoveries from mill clean-up after fire, of $157,646 in 1929, and $377,202 in 1930, or a total of $534,848.

Record Recovery Made

Improvements made during the year under the direction of C. W. Dowsett, consulting metallurgist of the company, resulted in still higher extraction with the average recovery 7.881 dwt. in gold per ton of ore or 98.23 per cent of the gold present. In recent months this figure has been further improved to around 98.37 per cent. This is the highest extraction obtained in any Canadian gold mine, if not in the world and means that the tailings loss is reduced to about 4¼ cents per ton of ore treated.

H. P. DePencier, general manager, reports that above the tenth level the greater amount of work was done of an exploratory nature in connection with the known ore bodies.

From the tenth level to the sixteenth level the work done was mainly in connection with known ore bodies or extension of same. While some of this work was around the eastern edge of the greenstone where it contacts with the sediments. The greater part of the work was done in greenstone areas.

Lower Work Inconclusive

At the 23rd level, the area in sediments adjoining the greenstone, the work done did not disclose ore of economic importance, but a winze was sunk to a depth of 336 feet below this level and stations were cut at 24th and 25th levels.

At the 24th level an ore body was disclosed in the sedimentary measures, which proved to be very irregular both as regard occurrence and ore values. This ore body has an extreme length of 300 feet and an extreme width of 120 feet in an area of 21,000 square feet. For the most part the ore is quite different from that found in the sedimentary measures in the upper part of the mine; the values depending to a large extent on the presence of the visible free gold.

Some High Grade

At the 25th level ore disclosed in the sediments had a length of 100 feet, a width of about 55 feet, and an area of approximately 5,000 square feet. A fault cuts the eastern end of this ore. A drift was extended east through this fault to cut an ore section disclosed in a diamond drill hole. This drift cut ore a few feet east of the fault and was drifted on for 210 feet. The ore lies on a porphyry-greenstone contact on the southern edge of the porphyry. This drift averaged considerably higher than the area on the 24th and 25th levels, the average grade being 15.82 dwt. per ton over a width of about 12 feet. The values on this level also depend on the presence of visible free gold.

As the work on the 23rd, 24th and 25th levels has not sufficiently disclosed the trend or importance of this ore, the winze is to be sunk a further 300 feet and two more levels will be developed as soon as this is done. The work to date indicates the possibility of securing 250,000 tons of ore from the 24th and 25th levels and this ore apparently averages at least seven dwt. per ton.

Production Costs Low

Production costs per ton of ore milled showed a slight increase over the previous year. Development and exploration costs and milling declined, while mining, taxes and general expense increased, bringing the total operating cost to $4.70 per ton as compared with $4.42 in the previous year.

The following tabulation gives comparative figures for the past three years:

Production Costs per Ton Milled

	1933 $	1932 $	1931 $
Devel. & explor.	.74	.83	.76
Mining	1.37	1.32	1.15
Milling	1.14	1.31	1.15
Taxes & marketing ..	1.08	.60	.40
Gen. & adminis. exp...	.37	.36	.35
Total oper. exp.	4.70	4.42	3.81
Deprec. & write-offs..	.37	.37	*1.29
Total cost per ton	5.07	4.79	5.10

*Includes 92 cents per ton depletion.

Ore Reserves Higher

A slight decrease in the broken ore reserves to 718,600 was reported while the total ore reserves were estimated at 2,025,000 tons as compared with 2,000,000 tons the previous year. This does not include the 250,000 tons indicated as possible ore on the 24th and 25th levels. Ore in the sediments is estimated at 194,000 tons and ore in the greenstone at 1,831,000 tons.

The exploration activities of the company during the year cost $21,925. In February last Dome Mines optioned 21 claims in the Bourlamaque township, Quebec, adjoining the Lamaque Gold Mines on the north. Under the terms of the agreement with Read-Authier Mines a new company is to be formed with an authorized capitalization of 3,000,000 shares of which Read-Authier will receive 1,200,000 while the remaining 1,800,000 will be under option to Dome Mines.

Liquid Position Good

The balance sheet as at December 31, 1933, showed current assets totalling $7,769,310, equivalent to $8.15 per share, including $2,041,070 principally in railway bonds at market value and $2,902,854 principally in Government bonds but excluding East Geduld Mines shares, shown at a cost of $676,379. Since the company previously had 90,000 shares of East Geduld Mines it is apparent that its holdings have been reduced to 55,000 shares.

The following tabulation gives comparative working capital for the past two years:

Working Capital

	1933 $	1932 $
Current assets	7,770,310	6,110,970
Current liabilities	1,306,848	867,772
Working capital	6,463,462	5,243,198

The annual meeting is called for May 8, in Toronto.

Gold Paved Streets May Prove Reality

Streets paved with gold came near to being a reality at the town of Kalgoorlie, Australia, where, according to reports from "down under," four pieces of gold were found in the granolithic footpath which skirts the main street.

It is estimated that the footpaths on this particular street would give a paying yield if put through a battery, because they are made of stone quarried at the northern end of the Golden Mile, one of Australia's richest gold centres. The paths were laid 36 years ago, before modern equipment had made the milling of less rich ores a profitable business.

Ship in Building Supplies For Dictator Mine Camps

From Our Own Correspondent

VICTORIA.—Two carloads of building supplies were shipped last week to the Dictator Mine in the Lightning Peak district in the vicinity of the Waterloo.

George Clothier, former B. C. Government engineer and now managing director of the Dictator, will direct operations at the property.

Index to Mining Stocks

The weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 141.1 for the week ending April 12 as compared with 141.0 for the previous week. Nineteen gold stocks fell from 139.0 to 135.7 and four base metals stocks rose from 158.2 to 167.0.

BRALORNE PROFITS 24 CENTS A SHARE ORE ADDED RAPIDL

Annual Report Shows Big Strides Made in Mine's Second Year

PRODUCTION UP

Output Increases 50 Per Cent — New Work on Low Levels Extends Ore Zone

Annual report of Bralorne Mines for the fiscal year ended December 31, 1933, covering the second year of production, from the company's Bridge River property, reflects rapid progress in successful development with a net profit of $236,925, equivalent to 24 cents per share on the 1,000,000 shares outstanding, as compared with 12 cents per share in 1932. From earnings last year an initial dividend of 12½ cents per share was paid on April 16.

The following tabulation shows comparative income and surplus account figures for the past two years.

	1933 $	1932 $
Production	736,947	508,255
Less:		
Production costs ...	244,931	156,897
Operating income ...	492,016	351,358
Miscell. income	42,119	1,676
	534,135	353,034
Less:		
Adminis. & gen. exp.	21,493	21,382
Interest	......	4,518
Deprec., deplet., taxes & explor.	275,717	207,300
Net profit	236,925	119,834
Earnings per share ..	0.24	0.12

The increased profits for the company are partially due to the higher price for gold, as some $200,000 was received as exchange compensation in 1933 as compared with $54,323 in 1932. Production increased about 50 per cent while the grade of ore treated showed a decline with the greater tonnage and higher price for gold. The following shows gross production figures since the commencement of operations in February, 1932.

Production Years Ended Dec. 31

	Tons daily	Tons milled	Recov. per ton	Value bullion
1932	106	32,637	$15.67	$508,255
1933	149	54,283	13.57	736,947
				$1,245,202

Production during 1933 was 25,935 oz. of gold and, in addition, 700 oz. was estimated as being in process at the year end. The concentrates produced by the company, which are shipped for smelting, accounted for 7,024 oz., the balance was from cyanidization.

Dealing with development, R. Bosustow, mine manager, states that most of the work was carried out west of the fault, particularly on the 7th, 8th and 10th levels. About one-tenth of ore milled came from development faces. Sinking was resumed toward the latter part of the year. During sinking operations no other operations conveniently can be done below the 8th level, owing to limited hoisting facilities. Good orebodies were discovered west of No. 1 fault and a new vein was located on the 8th level with a strike nearly at right angles to the main vein. Both veins have produced favorable results under development, with good grade ore over a width of 5 ft. reported on the King vein, and up to approximately 15 ft. on the "C" vein. At the close of the year, ore reserves were estimated at 230,000 tons, averaging around 0.6 ounce of gold per ton, an increase for the year of 200,000 tons, in addition to the 54,283 tons milled.

Improvement in Quarter

A supplementary report covering operations for the three months ended March 31, states that ore was found west of the No. 2 fault which cut off the principal ore body at the extreme west portion of the mine. This body now has been located on the 6th, 7th and 8th levels. The ore is of good grade on all levels and averages about 10 ft. in width. During the three months under review the mill treated 225 tons per day, and it seems that it can be tuned up to 265 tons with little capital outlay, and with expenditure of $40,000 could be increased to 400 tons daily.

The upward extension of the "C" vein was located on the 6th level. Although work done on the vein at this horizon is not directly over the 8th level ore body, an ore shoot was followed for 100 feet southwest where it intersected the King vein. The shaft has been continued to the 11th level and a pocket is being cut and a cross-cut will be started as soon as this work is finished, while a crosscut also will be driven from the 10th level to pick up the ore west of the No. 2 fault. Ore already exposed west of the No. 2 fault since the first of the year will add at least 50,000 tons to reserves.

The balance sheet at the year end showed that the mortgage liabilities, shown at December 31, 1932 at $80,000, had been entirely liquidated. Comparative working capital figures are as follows:

Working Capital

	1933 $	1932 $
Current assets	347,684	86,416
Current liabilities	98,595	123,019
Working capital	249,089	‡36,603

‡ Excess of current liabilities over current assets.

The annual meeting of the company is called for April 30 in Vancouver.

Ontario Woman Lake Planning New Company

Special meeting of shareholders of Ontario Woman Lake Gold Mines has been called for April 20, to discuss plans for the formation of a new company.

In a circular letter sent to all shareholders, it is explained that although Maple Leaf Mines, in October of last year, agreed to take over the future development of the property, after making the first payment, they declined to continue.

The present plan is that a new company, Medicine Rock Mines, should be formed to develop the property further. The new company would have a capitalization of $4,000,000, consisting of 4,000,000 shares of $1 par value. In this company, Woman Lake shareholders would be given one share for every ten shares now held.

Urges Steam Roller Tactics on Sharpsters

S. G. Blaylock, vice-president and general manager of Consolidated Mining & Smelting Co., who was elected president of the Canadian Institute of Mining & Metallurgy at the recent convention in Quebec, called on the C. I. M. M. to take drastic steps in cleaning up the mining industry. Mr. Blaylock termed the unscrupulous engineer and promoter the greatest menace to the industry to-day. He asked the C. I. M. M. to lead the way in banning this type.

Mining Needs Big Stick Blaylock Tells C. I. M. M.

President-elect Urges Use of Characteristic Steam Roller Methods to Rid Mining of Menace

With characteristic steam roller determination for uncompromised success, Selwin G. Blaylock, president-elect of the Canadian Institute of Mining & Metallurgy, launched out, in an address before the Toronto branch of the institute—the first public address since his election—to clear the temple of the money changers and to insist on high ethical standards for institute members. "The institute had the authority. If not it would soon get it and throw out those who would bring disgrace to the industry.

"There have been many serious practices and they will have to stop.

"It is not for the good of the mining industry to have loopholes whereby a discredited member can appeal the decision of the Institute Counsel," declared Mr. Blaylock, recalling the case of a mining engineer who was expelled for unethical practice, but appealed his case before the Supreme Court of Ontario and won.

Public Responsible

Mr. Blaylock, who is vice-president and general manager of the Consolidated Mining & Smelting Co. at Trail, B.C., is one of the outstanding mining engineers of the world, and based on his broad experience foresees that the Institute is liable to become discredited unless it acts. "The future of the mining industry rests in the hands of the public and if some engineer comes along with deceptive reports on properties under his jurisdiction or in which he has a financial interest, investors will lose faith," declared Mr. Blaylock.

It must be apparent to everyone that Canada's greatest chance of meeting her outside obligations was through the export of her minerals and other natural products, he observed. Engineers formed an important wheel of the industry and they must live up to the ethics called for by the profession. They must be persons in whom investors have implicit faith, for their technical ability, went on Mr. Blaylock.

Touching on taxes, Mr. Blaylock remarked that it must be apparent to everyone that the tide had turned towards recovery, yet no thinking man could feel satisfied that recovery was here until unemployed were in the main back at work, until all the government budgets were balanced and it was no longer necessary to borrow more money to pay interest on present loans. It will be necessary for the governments, both Federal and Provincial, to cut their services and expenditures to the lowest possible point. However, taxes must be faced and it will be the duty of the Institute to render a great deal of assistance along educational lines. Engineers know quite a bit about what might be called fixed charges in running an operation. In this connection probably no mining engineer in Canada is better acquainted with the necessity of cutting costs than Mr. Blaylock, for he was faced with the problem of cutting the cloth to fit the suit, when base metal prices dropped to unprecedented low levels. How well he succeeded and kept his large organization employed is an epic in Canadian industrial achievements. He is now asking that Governments do likewise.

NEW POWER LINE FOR BRIDGE RIVER HAS CHEAP RATES

10,000 h.p. Unit Installed at Seaton Lake—Ready July 15

The construction of a hydro-electric transmission line from the power house at Seaton Lake, to the Bridge River mining camp, 55 miles distant, is nearing completion and it is anticipated that the power plant will be ready before July 15 next.

The Seaton Lake power plant, originally planned as a 500,000 h.p. development, has been held up owing to lack of power demand in the Vancouver district. Late last year a decision was reached to put in a 10,000 h.p. unit to immediately serve the Bridge River mining camp pending the completion of a big power programme.

A feature of the new plant is the low rates that will prevail for the camp as compared with power rates in Eastern Canada. The prevailing power rate in the northern mining areas of Ontario is $50 per h.p. per year for the first 5,000 h.p.

The rates for the Seaton Lake development, one of the many power installations of the B. C. Electric Co., are as follows:

$50 per h.p. per year for each of the first 100 h.p. of maximum demand.

$35 per h.p. per year for each of the next 400 h.p. of maximum demand.

$30 per h.p. per year for each of the next 500 h.p. of maximum demand.

$25 per h.p. per year for each h.p. in excess of 1,000 h.p. of maximum demand.

Bulolo Gold Dredging Net $172,025 in March

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging reports a total production in March, from three dredges, of 7,274 ounces of fine gold from 648,600 cu. yds. Estimated working profit is 4,915 ounces of fine gold. At $35 Canadian per ounce of fine gold, this represents a working profit of $172,025 in Canadian dollars.

GOOD ORE SHOWN BY 300-FT. DRIFT AT CARIBOO GOLD

Considerable Work Done Along Sanders Zone, Supt. Reports

From Our Own Correspondent

VICTORIA.—Drifting along the footwall of the Sanders zone has been completed for a distance of 300 ft. to the left of the main tunnel and for 100 ft. to the right, and all crosscuts are reported as showing good ore, according to R. R. Rose, general superintendent of Cariboo Gold Quartz.

Mr. Rose reported that the veins are narrow, ranging from stringers up to widths of two ft. Assays taken on the work for the month of March average $14.40 per ton in gold at $20.67. The lowest was $6.60 for a distance of 47 ft. and the highest $30 for a distance of 19 ft.

Very little ore was taken from the stopes for the mill during the month, the mill being fed principally on ore coming from development work.

During March a total of 2,250 ft. of drifting, crosscutting and raising was carried out. A level is being driven from a crosscut zone half way between the main tunnel and the surface. This halfway level will indicate conclusively whether it is the downward extension of the main Sanders outcrop which has already been picked up in the main tunnel 700 ft. below.

Sally Mines Winze on Vein 7 Reaches Depth of 130 ft.

From Our Own Correspondent

VICTORIA.—Following down ore which averages 15 inches in width, the winze on the No. 7 vein below the No. 3 level at Sally Mines in the Beaverdell area, has reached a depth of 130 ft., according to R. H. Stewart, president of the company. Sinking operations will continue to the 200 ft. level where stoping will commence, he added.

The head frame and equipment for the two-compartment shaft being sunk on the Wellington vein is proceeding. Mr. Stewart stated than once in operation, this plant will be capable of sinking at the rate of about 90 ft. per month.

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Quebec Big Cement Producer

Out of a Canadian production of 3,007,432 barrels of cement, valued at $4,536,935 in 1933, Quebec's contribution was 1,517,555 barrels, valued at $2,128,900. Ontario followed with 1,095,845 barrels at $1,587,812. Manitoba and Alberta produced, roughly, $300,000 worth each and British Columbia $225,000.

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Dorval-Siscoe

The announcement of the Dorval-Siscoe financing and the recent steady advance in the market position of Siscoe shares have focussed public attention on one of the outstanding developments in Canadian mining history—the recent concentrated growth of the Siscoe area.

For a number of years progress in this district was slow, but during the past year the big operating companies have recognized the possibility of a third major mining camp and are developing it on a scale probably unequalled in such a concentrated area anywhere else in Canada to-day.

With such intensive work going on, this is a camp in which news of great importance to many holders of mining stocks may "break" any day. The importance lies in the fact that every shareholder of Siscoe, Teck-Hughes, Dome, Sylvanite, Greene-Stabell, Sullivan and Dorval-Siscoe will be affected by the progress which seems inevitable.

Dorval-Siscoe occupies a most favorable position in this field. Many months ago, a syndicate, realizing what was coming, started accumulating the claims immediately adjoining Siscoe on the west and north, and finally acquired over 1,700 acres.

A preliminary working programme of over $50,000 and most exhaustive geological study provided a convincing answer to three questions: (1) Does the Siscoe structure pass through the Dorval-Siscoe property? (2) Do the Siscoe ore-zones extend into the Dorval-Siscoe properties for a length sufficient to make possible a large-scale operation? (3) Do the values found in these zones justify the belief that a mine can be developed on this property? The answer in every case is YES, and supporting details may be obtained through any broker.

Based upon the results of extensive surface work and diamond drilling, the Company is preparing to start shaft sinking immediately; and while it cannot yet be claimed that the existence of a mine has been proved, the Directors and management face the outcome with complete confidence based on two considerations: (1) That operations in the immediate vicinity prove that similar conditions have made one large mine and appear to be making several more. (2) That the structure, vein widths and values found from surface to a depth of almost 600 feet stamp this as a property of great promise.

Advance subscriptions indicate very heavy demand for this stock because of the realization that this is one of the very few opportunities for an investor to "get into" this field through direct early-stage participation in a strong company.

Complete information may be obtained from your own broker.

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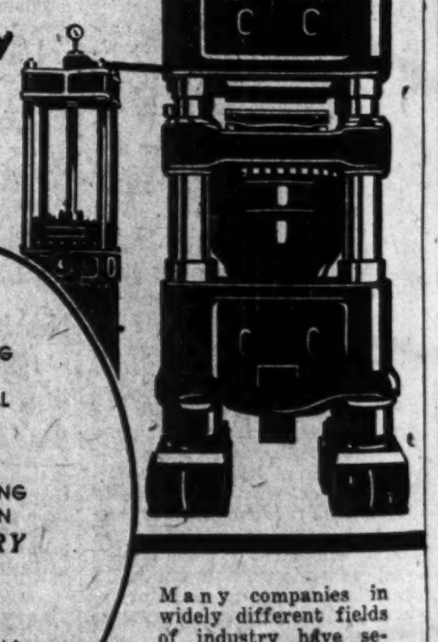

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NAME FRASER REID TO HEAD ACTIVITY AT CASEY SUMMIT

Managing Director, Secretary of Coniagas, Both Assume New Posts

Appointment of Fraser D. Reid, as general manager of Coniagas and managing director of Casey Summit Mines, featured the meeting of directors of the latter mine held in Toronto, April 13. The appointment was made after Mr. Reid had announced that Coniagas Mine, which has 400,000 shares in Casey Summit, at request of Maple Leaf and Casey Summit, had consented to allow him to act in this capacity at Casey Summit, and to allow C. S. Kennedy, secretary of Coniagas, to act as secretary-treasurer of Casey Summit. Both appointments were accordingly ratified, the positions to carry no representation on the board.

Mr. Reid, as general manager of Howey Gold Mines, and for his work in the Cobalt area, and for Coniagas, has earned for himself an enviable reputation among mining men, which makes the new appointment of more than passing interest.

Wiliamson President

At the same meeting, an additional allotment of 1,300,000 shares was made to Maple Leaf Mines and to Coniagas Mines, bringing the total allotment to date for these companies to 2,000,000 shares, and leaving 500,000 shares in the treasury of the company upon which Maple Leaf Mines has an option until October 15, 1935. An additional sum of $15,000 has been provided the company by this allotment, which, officials claim, is ample to place the property in production.

Election of officers resulted as follows: pres., R. G. Williamson, Regina; vice-pres., J. A. Wilson, director of Maple Leaf Mines; directors, R. S. Banbury, Commissioner of Workmen's Compensation Board, Saskatchewan, and Fraser Raney, K.C., Toronto, sec.-treas. of Maple Leaf Mines.

The directors decided to move the head office from Regina to the mine, and the general offices to Toronto. Mr. Raney was appointed company solicitor.

WILL RE-ORGANIZE GRAHAM BOUSQUET

New Company to Finance Further Development, President Announces

Shareholders of Graham-Bousquet Mining Corp. are in receipt of a report over the signature of Peter T. Graham, pres., covering the fiscal year ended December 31, 1933, which announces a plan for a reorganization and the formation of a new company.

In order to finance the further development of the company's property, comprising 621 acres, all patented, in the eastern section of Bousquet township, Quebec, 214,000 shares held in the treasury of the present company were sold for cash and a like number optioned, which when entirely taken up will provide the treasury with $47,000 to turn over to the new company.

The plans for reorganization call for the formation of a new company with a capitalization of 3,000,000 shares of which 1,500,000 shares will be issued to the shareholders of the present company on the basis of one new share for each two shares held in the present company. Options on 1,000,000 shares of the new company will be granted at sliding scale prices, which if exercised, will yield $300,000. Under the proposed agreement minimum monthly payments of $10,000 are to be made commencing July 1, 1934, and continuing until October 1, 1934. Thereafter $15,000 per month is to be placed in the company's treasury up to February 1, 1936, and the balance of $20,000 to be paid before March 1, 1936.

To Surrender Charter

Upon the reorganization and the formation of the new company the charter of the present company will be surrendered.

In his report to shareholders Mr. Graham advised that the option on claims in the Opemiska Lake area of Quebec had been abandoned. The recent interesting developments in the immediate vicinity of the company's property together with the increase in the price of gold warranted, he believed, the continuance of development work on the original property. Here a two-compartment shaft was sunk to a depth of 527 ft., and levels established at 125-ft. intervals. Development work indicated the ore continuous from the surface outcrop to a depth of 800 ft. On the 125-ft. level the ore zone is 70 ft. wide and averages $4 in gold. No work has been done at the property since 1929.

A power line is presently under construction by the Northern Quebec Power Co. to serve the properties in the area and crosses the company's holdings, which are reached by a water route from Amos to Bousquet Rapids and then by a 3½-mile winter road to the site of operations.

The balance sheet as at December 31, 1933, showed current assets of $6,665. Current liabilities totalled $640.

The annual meeting of the company is to be held in Montreal on April 28.

OFFER P. E. G. ISSUE ON MARKETS SOON

Company is Merger of P. E., Plutus and Dan Tucker Mines

An offering of Pacific Eastern Gold Ltd. is to be made at an early date by a group of representative brokers in mining securities throughout the Dominion, The Financial Post is informed.

The company is an outgrowth of activities of Major James Lowery who formed the P. E. Mines, the Plutus Mines and Dan Tucker Mines to hold claims along the main mineralized belt, southeast of the Pioneer Mines in the Bridge River area of British Columbia.

The new company has an authorized capitalization of 5,000,000 shares of which 3,000,000 shares were issued for the property now comprising about 75 claims, either crown granted or ready for crown granting. Through the terms of the merger P. E. Mines received 2,000,000 shares or on a share-for-share basis. Dan Tucker Mines received 90,000 shares or on the basis of 5.6 new shares for each share previously held, while the Plutus Mines received 50,000 shares or on the basis of five new shares for each share held.

A deal whereby Pioneer Gold Mines would throw in some of its easterly claims in the merger, has been reconsidered and it is not now a party to the merger.

Claim Workman At Grange Mines Finds New Veins

When one of the crew of Grange Mines, successor to the Big Slide, was sent to the Kelly Lake, B.C. properties to do assessment work, he returned with sample of ore which led to the discovery, it is claimed, of important new veins, high up the mountainside, and 2,000 ft. above the present workings. The ore was 25 to 35 ft. wide, preliminary values going from $4 to $80 per ton, it is claimed.

It has been decided, officials state, to extend the present number 3 tunnel into the mountain another 900 ft. on the vein, and a crosscut from this tunnel will get under the new discovery and give between 2,000 and 2,500 ft. of backs.

While official confirmation is lacking, it is rumored that a subsidiary company may be formed to develop the new ore, and a new and bigger mill erected to carry both propositions.

Meanwhile, officials express satisfaction with developments at the old workings. The 40 ton mill is operating at capacity, giving $200 to $300 worth of gold per day, it is claimed. The mill has now been running for nearly three months.

G. A. Denny to Represent United Gold in Africa

United Gold Equities with headquarters in Montreal and operating as an investment trust with investments principally confined to mining securities, announces the appointment of G. A. Denny, M.E., as a member of its investment committee and special representative in South Africa. Mr. Denny is brother of H. S. Denny, O.B.E., well known Canadian mining engineer. The South African appointment was made coincident with an investment by United Gold Equities in Sub Nigel Ltd., an important gold producer in the Heidelburg district of Transvaal.

Stop Price War By Tighter Grip Over Sask. Coal

From Our Own Correspondent

REGINA.—To forestall the possibility of a coal price war in Saskatchewan the Government has passed legislation which enables control of the coal mining industry. Strip mining advantages over deep seam costs is largely the cause of such legislation. The number of mines in operation can be controlled and no new work can be started without a license from the Government. Each mine must make a return to the Government as to its costs of production and amount mined.

Coal mining has bounded forward in the last five years practically at the expense of the deep seam mines.

Mining Stock Quotations

Week Ending April 16.

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Apr. 9 (or last)	High for week	Low for week	Close Apr. 16
1	.06	.01	Aconda	34,600	.03	.03½	.02½	.02½
No	.33	.13	Aldermac	153,771	.27½	.33	.27	.27
1	.10	.02½	Alexandria	129,100	.07½	.08	.07	.07
No	.18	.13	Algoma (new)	42,300	.16	.16½	.14	.14½
1	.02½	.00½	Algonquin	......	.02	.....	.....	.....
1	.04	.01½	Amity Copper	88,800	.03½	.03½	.02½	.03
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL STOCKS

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Apr. 9 (or last)	High for week	Low for week	Close Apr. 16
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No	.13	.06½	Baltac	23,750	.07	.08½	.07	.08½
No	1.60	.95	Calgary & Ed.	4,100	1.31	1.30	1.25	1.30
1	.15	.10½	Calmont	18,150	.11½	.12½	.11½	.12½
1	.12	.06	Common. Pete.	6,300	.12	.10	.09	.09
No	.65	.50	Dalhousie	6,936	.55	.54	.50	.53
No	.30	.18	East Crest	6,750	.21	.23	.18	.21
No	.58	.09	Erie Gas	41,000	.52	.54	.49	.50
No	.75	.40	Foothills	700	.60	.57	.55	.55
No	1.90	1.56	Home	8,494	1.65	1.75	1.60	1.68
No	.05	.02	Homestead	......	.05	.....	.....	.....
1	.16½	.13	Homestead O. & G.	9,000	.14	.15	.14	.15
No	.44	.20	Lowery	500	.30	.30	.30	.30
No	.42	.28	Merland	1,800	.30	.32	.28	.32
1	.48	.25	Midwal	7,800	.48	.48	.47	.47
5	.17½	.09	Nordon	28,000	.13	.15½	.11	.15½
No	.09	.05	Oil Selections	31,800	.06½	.07	.06½	.06½
No	.34	.19	Olga Gas & Oil	31,200	.20	.26	.19	.25
1	1.10	.76	Petrol Oil & Gas	100	.80	.80	.80	.80
No	19.55	17.00	Royalite	780	17.00	17.50	17.00	17.25
1	.10	.07½	Sarnia Oil	4,800	.08	.09	.08½	.07
No	.17	.10	South West Pete.	500	.12	.11	.11	.11
No	.70	.60	Sterling Pacific	1,000	.65	.63	.63	.63
No	.97	.66	Wainwright West	13,450	.70	.80	.75	.75

VANCOUVER STOCK EXCHANGE
(Transactions for Week to April 11.)

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Apr. 4 (or last)	High for week	Low for week	Close Apr. 11
1	.09½	.04½	Alexandria	54,750	.06½	.07½	.07	.07½
25c	.03½	.01	Bayview	3,000	.02	.02½	.02	.02½
20c	.08½	.05	Beaver Silver	20,200	.05½	.05½	.05½	.05½
25c	.06½	.04	Big Slide	......	.05	.....	.....	.....
25c	.03½	.02	Bluebird	......	.02½	.....	.....	.....
1	3.00	2.10	Bradian Gold	10,715	2.90	2.85	2.75	2.82
No	15.00	9.85	Bralorne	6,400	14.90	14.75	14.00	14.00
1	.47½	.20	Bridge River Cons.	46,475	.39	.42	.35½	.39
50c	1.10	.28	Bridge River Exp.	173,450	.91	1.10	.91	1.10
50c	.27	.25	B. R. Mountain Gold	200	.23	.23	.23	.23
100	99.00	99.00	B. C. Electric, pref.	......	99.00	.....	.....	.....
1	.92	.51½	B. C. Nickel	17,070	.67	.70	.61	.62
1	1.20	1.00	B. C. Silver	400	1.10	1.10	1.00	1.00

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Apr. 9 (or last)	High for week	Low for week	Close Apr. 16
50c	.29	.20	Butte I.X.L.	26,000	.27	.27	.25	.25
.	.22	.20	Can. Rand	40,900	.....	.22	.20	.22
1	2.90	2.00	Cariboo Gold	12,355	2.30	2.35	2.00	2.16
No	10.00	8.75	Coast Breweries	2,280	8.75	9.15	9.00	9.00
1	.40	.21	Congress Gold	61,650	.37	.40	.35	.37
25c	.02	.01	Cork Province	26,000	.01½	.01½	.01½	.01½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Falconbridge	5c.	.....	Royalite*	$1	.....
Goldfield Cons.‡*	5c.	.....	San Antonio†	5c.	.....
Hollinger	65c.+20c.	4.82	Siscoe	12+2c.	5.71
Howe Sound	$3	.....	Sterling Pacific Oil‡	2½c.	.....
Int. Coal & Coke‡	2c.	.....	Sunshine Min.	5+7	.....
Int. Nickel c.	10c.	.....	Sylvanite	10+5c.	5.25
Lake Shore	$2+$1	5.71	Teck-Hughes	60c.	8.33
McIntyre	1.62½	3.40	Wright-Har.	40+10c.	5.10

‡Interim. †Initial. *Paid in 1933.

Unlisted Mining Stocks

April 17, 1934

	Bid	Ask		Bid	Ask
Adanac Gold	.30	.35	Long Lac Lag.	.25	.29
Ardeen Gold	.50	.55	Lamaq. Contact	.25	.30
Arntfield Gold	.70	.83	Lamaque Gold	1.70	1.90
Arntfield Synd.	.80	.90	Little Long Lac	4.65	4.80
Astoria Rouyn	.05½	.07½	McCarthy Webb.	...	.14
Bathurst	.04½	.05¼	McL. Cockshutt	.46	.50
Beattie	1.20	1.25	Manco Gold	.28	.32
Bidgood	.03	.04½	McCuaig R. Lake	.27	.29
Big Long Lac	.20	.24	Man. & Eastern	.23	.25
Bloom Lake	.30	.35	Matachewan Can.	.20	.24
Buff. Ankerite	1.70	1.85	Mecca Gold	...	.28
Buff. Rouyn	...	.03	Metals Develop.	.04	.06½
Bussieres Min.	...	.40	Minefinders	2.00	2.75
Calder Bosquet	.32	.35	Martin-Bird Un.	16.00	18.00
Can. Pandora	.26	.30	Miller Indep.	.38	.43
Can. Radium	.08	.12	Mint Ore	.03	..
Canusa Mining	.05	.08	Moss Mines	.04	.06
Car. Coronada	.24	.28	Mont. Acker.	.31	.34
Cen. Malartic	10.00	12.00	N.A.M.E. Units	5.00	...
Cent. Swayze	.10	.20	Normetal Mine	.55	...
Clover G Units	35.00	39.00	North Shore	.27	.31
Cochenour Wil.	70.00	90.00	Northl'd Pros.	...	400.00
Columario (old)	.24	.28	O'Connell Gold	.39	.43
Continental Kirk.	.07	.10	Oro Grande Dev.	.40	.50
Coupland Gold	.39	.43	Peninsular Pet.	.00½	.01
Crown Reserve	.05	.07	Pickle Crow	.86	.90
Delta Units	50.00	75.00	Pontiac Rouyn	.48	.55
Dorval Siscoe Units	17.00	20.00	Que. Eureka Un.	14.00	17.00
Dunlop Cons.	.01½	.03	Queen Lebel	.13	.15
Eagle Oil	...	1.50	Red Lake Gold	.36	.40
Echo Bay Expl.	...	.35	Rubec	.03	.04
Edgecreek Un.	9.00	14.00	Senneterre Gold	9.00	10.00
El Bonanza	.26	.28	St. Paul Silverad.	.37	.43
Four Nations	.40	.50	Sequin Rouyn	...	.35
Galatea Units	30.00	50.00	Silveradium U.	160.00	190.00
Glenora Gold	.55	.60	Silver Valley	...	.15
Goldside Units	40.00	50.00	Smelter Gold	.28	.22
Gold Bar	.13	.15	Sourdough Un.	7.00	..
Greenlaw	.07	.09	Sun Bear	...	.20
Gr. Bear Lake	.40	.45	Sunorca Explor.	1.65	1.75
Gabrielle	.60	.66	Swayze Contact	.14	.18
Herbin Lake Un.	16.00	21.00	Swayze Rand	.12	.15
Horseshoe	.04½	.07	Talisman Gold	.26	.30
Huronian M.	.50	...	Tashota Goldfield	.38	.42
Inter. Gold	.22	.25	Tiblemont Island	.46	.51
Iroquois Kirk.	.16	.19	Titurno Units	25.00	30.00
Island Lake	.18	.21	Toburn	1.60	1.80
Johnson Nipigon	.30	.34	Tudhope M. Syn.	20.00	24.00
Jupiter Gold	19.00	21.00	Tyrrell Tp. McN.	...	40.00
Keeley	.50	...	Vipond	.50	...
Kenty Gold	...	.95	Wendigo	.45	.52
Kirk. Gold	.30	.35	Wingold	.48	...
Lake Geneva	.12	.17	Young Davidson	...	.45
			Young Munro	...	.15

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

To Guide Casey

FRASER D. REID, general manager of Howey Gold Mines who has been elected managing director of Casey Summit Gold Mines.

OLD BONANZA MINE SENSATION OF 1897 TO GET NEW DEAL

New Company Formed to Finance Active Development Work

The claims which, 37 years ago caused a sensation in Vancouver and in England will be given a chance to prove themselves, according to word from the Pacific province.

Development work on the old Bonanza Golden Cache, and Morning Glory groups will be started at once, Arthur J. Noel, locator of the Golden Cache, has announced. To finance the work, a new company, the Bonanza-Cache Gold Mines Ltd. has been formed. The former private company has been absorbed by the public company.

It is planned, Mr. Noel states, to undertake a programme of diamond drilling on the old Bonanza property, located in the vicinity of Cayoosh Creek. This work will be commenced from a tunnel on the old Golden Cache property, driven 250 ft. Mr. Noel believes that such drilling would intersect the continuation of the ore body from which considerable bullion was taken in the old days.

On the Bonanza mine, it is planned to continue a tunnel started last year, and drive it to a depth of 1,000 ft., the object being to cut the veins and ledges exposed by surface work.

Cayoosh Creek, on which the properties are located, flows into the Fraser River, a few miles from the town of Lillooet.

The new company has been capitalized at $2,500,000 divided into 5,000,000 shares of 50 cents par value. An offer of 500,000 shares is currently being made at 25 cents per share to raise funds for development. A power plant, consisting of compressor, drills, car rails, and other equipment, has been purchased, officials of the company announce.

TOWAGMAC UNITS EXPECT ACTIVE YEAR

Financing to Put Lake Fortune in Strong Position For Spring Work

Annual report of Towagmac Exploration Co. for the fiscal year ended December 31, 1933, shows the company's holdings to include 3,264,212 shares of Aldermac Mines; 693,000 shares of Francoeur Mines; 447,500 shares of Lake Geneva Mining Co.; 215 shares in Nichols Engineering & Research Corp. and an unstated interest in the Kenya Mining Synd. operating in British East Africa.

Arrangements are announced for financing Lake Fortune Mining Co., now almost completed, that will put the company in good financial position, with plans for resuming work early this spring.

Financial arrangements are announced for Francoeur Gold Mines. It is the intention to sink a shaft to a depth of 200 ft. on the known ore shoot. This shoot has been stripped on the surface for a length of approximately 350 ft. and shows an average width of 12 ft. with sampling averaging $10 per ton in gold. Further diamond drilling is to be done.

Report from Kenya

The Kenya Mining Synd. has secured a placer concession of some 500 sq. miles in British East Africa and preliminary work is reported to have given very favorable results. One gold nugget recovered weighed 3½ oz. and on a near-by concession 1,100 oz. was recovered in January by sluicing and 2,200 in the first two weeks in February. Two favorable lode gold deposits and a tin property have also been acquired, the latter assaying approximately three per cent tin.

The balance sheet of the company as at December 31, 1933 shows current assets of $3,695 in cash; accounts receivable of $6,499; accrued interest of $41; bills receivable secured by Aldermac shares, $79,028; loan to Aldermac and sundry advances of $123,467 and bonds at cost $107,575. This is addition to its mining investments.

Liabilities total $53,002, and include a bank loan of $52,600 and miscellaneous of $402.

Of the authorized capitalization of $2,000,000, 1,111,666 shares have been issued.

The annual meeting of the company is called for April 28, in Montreal.

GOLDALE SHOWS STRONG POSITION

Assets of $59,443, Liabilities of $763 Revealed in 3-year Report

Annual report of Goldale Mines covering the three year period since the last report, shows the company to have current assets of $59,443 and in addition mining investments that have a remarkable value of $260,614. Current liabilities are $763, comprising accounts payable.

The company's mining investments include 116,484 shares of Coniaurum Mines, being no change in its holding of this stock since 1929. The company also holds 100,000 shares in East Rouyn Gold Mines.

In January 1933 the company sold three claims adjoining Dome Mines for $175,000. The remaining properties of the company comprise four claims adjacent to McIntyre Porcupine Mines.

The income from the company's investments during the past three year period, covered by the report, has been $10,529 in excess of the general expenses of the company. The annual meeting of the company is called for April 28, in Toronto.

Ontario's Gold Output Reaches New High Mark

Production for Three Months Ended March 31 is Valued at $17,038,001 — Kirkland Lake Camp Leads

The monthly report of the Ontario Department of Mines showing the gold output from the gold mines records that new high levels were reached for the three months ended March 31, 1934, with a production valued at $17,038,001, in Canadian funds. The Kirkland Lake camp again took the lead as the largest gold producer. The mines in the order of production being Lake Shore, Wright-Hargreaves, Teck-Hughes, Sylvanite, Macassa, Toburn, Kirkland Lake Gold, Ashley and Barry Hollinger.

The order of output in the Porcupine camp was Hollinger, McIntyre, Dome, Coniaurum, Buffalo-Ankerite and Vipond.

In Northwestern Ontario the order was Howey, Parkhill, Minto and Ardeen.

Comparative figures for the corresponding months of 1933 are as follows:

Monthly Output of Ontario Gold Mines

Source & Period	1933 Tons Milled	1933 Value* $	1934 Tons Milled	1934 Value $	1934 Gold oz.	1934 Silver oz.
Porcupine Belt						
January	283,951	1,846,351	302,580	2,513,247	73,558	5,088
February	256,653	2,074,718	275,105	2,692,955	77,053	39,429
March	285,040	2,456,932	299,200	2,726,532	78,226	6,454
Total	825,644	6,378,001	876,905	7,932,734	228,837	50,971
Kirkland Lake Camp						
January	155,050	2,023,260	167,953	2,781,721	82,991	11,786
February	136,988	2,139,516	151,794	2,655,784	77,991	13,598
March	141,716	2,228,781	170,542	3,016,363	88,050	17,622
Total	433,754	6,391,567	490,289	8,453,868	249,032	43,006
N. W. Ontario						
January	34,758	136,830	47,646	233,080	7,216	3,768
February	31,281	113,344	36,720	199,889	5,760	3,580
March	35,148	181,325	48,826	218,430	6,183	4,685
Total	101,167	431,499	133,192	651,399	19,159	12,033
First Quarter						
Total — Jan.	473,739	4,006,441	518,179	5,528,048	163,765	20,642
Feb.	424,922	4,327,578	463,619	5,548,628	160,804	56,607
Mar.	461,904	4,867,038	518,588	5,961,325	172,459	28,761
Grand total	1,360,565	13,201,057	1,500,386	17,038,001	497,028	106,010

* The values for 1933 have been transposed to Canadian funds by applying the average monthly exchange rate for January, February and March, 1933, namely $1.143, $1.197 and $1.199 respectively.

Skip Installed As Shaft Sunk at B. R. X. Mines

From Our Own Correspondent.

VICTORIA.—The installation of a one and a half ton skip in the three compartment shaft at B.R.X. in the Bridge River is proceeding while ore pockets are being enlarged, according to officials of the company.

The shaft, which is being sunk from the lower California tunnel to a point 500 feet below this level, is now down 44 ft., and with the new skip installed it is expected that the operators will make better time sinking.

At the present point, the shaft is said to show five feet of vein with the full width unknown as only one wall shows in the shaft. Assays taken across this five feet show values of $8 a ton with gold based at $20.67.

All ore taken from the shaft at present goes to a separate dump.

Regal Kirkland Mines Plans Re-financing

Regal Kirkland Gold Mines incorporated last year has negotiations under way which will, if completed, completely finance a conclusive development programme, The Financial Post is officially informed.

Upon incorporation last year the company acquired the Lebel township holdings of the Pawnee-Kirkland Gold Mines, comprising 195 acres in Lebel township, Kirkland Lake area, in consideration of 1,000,000 shares in the Regal Kirkland Gold Mines.

The predecessor company had spent approximately $250,000 on the property and has sunk a shaft 750 ft. with stations established at 125 ft. intervals. When work was suspended in 1928 three ore shoots had been opened up on the 750-ft. level, two of which were 50 ft. in length, averaging $6 in gold over a 5-ft. width and the third 110 ft., assaying $10 over a 5-ft. width.

The present board of directors includes C. F. Jordon, pres., Toronto; M. C. Smith, vice-pres., Burlington, Ont.; J. J. Byrne, Haileybury, Roy Weldon, W. H. Robinson and W. S. Wolton, of Toronto.

The predecessor company which is controlled by the same board now becomes a holding company and in addition to owning 1,000,000 shares of Regal Kirkland Gold Mines has 93,387 shares in Kirkland Basin Gold Mines. It is planned that the Regal Kirkland Gold Mines shares will be distributed to Pawnee Kirkland Gold Mines shareholders on the basis of one Regal for each three Pawnee Kirkland held when Regal Kirkland has completed its financing. As at December 31, Pawnee Kirkland had no liabilities to the public and approximately $12,000 in cash.

Malrobic Mines Planning to Increase Capitalization

Shareholders of Malrobic Mines are in receipt of a report over the signature of Fred A. Day, secretary, calling an annual meeting of the company for April 23 in Toronto to approve of an increase in the capitalization from $3,000,000 to $4,500,000.

Practically all of the treasury shares have been disposed of and recently the company acquired the Fitzpatrick property comprising 200 acres in Malartic township, Abitibi county, Quebec. Of the increased capitalization 500,000 shares will be issued to the owners of the Fitzpatrick property leaving 1,000,000 shares for further financing.

Officials report that the limited amount of work done upon the Fitzpatrick property shows an ore body of importance. At the company's original property in Malartic township, a 250-ft. shaft has been sunk and operations were recently resumed and unwatering started that further examination and re-sampling can be done. Diamond drilling is also planned. H. R. Bissell, M.E., is in charge of operations.

Post's Calendar Of Meeting Dates

April 19—Dunkin Gold Mines at Toronto.
April 20—Ontario Woman Lake Gold Mines, at Port Perry.
April 21—Canadian Pandora Gold Mines at New Liskeard.
April 21—Read-Authier Mines, at Montreal.
April 23—Malrobic Mines at Toronto.
April 25—Waite Amulet at Toronto.
April 26—Noranda Mines, at Toronto.
April 28—Aldermac Mines at Montreal.
April 28—Goldale Mines at Toronto.
April 28—Graham Bousquet at Montreal.
April 28—Hargal Oils at Vancouver.
April 28—Lake Geneva at Montreal.
April 28—Towagmac at Montreal.
April 30—Bralorne Mines at Vancouver.
May 8—Dome Mines at Toronto.
May 9—Ashley Gold Mining Co. at Toronto.
May 9—Mining Corp. at Toronto.

Wright-Hargreaves Steps Ahead of Teck

The monthly statement of the Ontario Department of Mines places Wright-Hargreaves ahead of Teck-Hughes Gold Mines among the producers of the Kirkland Lake camp.

Details are not given but inasmuch as Teck-Hughes reported production as normally valued at $1,006,811 in the three months ended December last it is apparent that Wright-Hargreaves mill increase to 1,000 tons last December now makes that mine second only to Lake Shore in the Kirkland Lake camp. Plans are under way by Wright-Hargreaves to further increase its production to 1,200 tons daily in the near future.

ALDERMAC MINES PLAN 1,000 TON MILL

Aldermac Mines is to increase its mill to 1,000 tons daily and is being advanced sufficient funds for working capital and further development by Towagmac Exploration Co., states James J. McFadden, president of the company, in the annual report just sent to shareholders.

A substantial contract has been secured for pyrite and other contracts are pending, says Mr. McFadden. Aldermac pyrite is a free burning product and the successful development of a flash roaster has created a demand since Aldermac pyrite gives a very high yield of sulphur, free from impurities. The residue after the roasting is a high-grade clean iron oxide suitable for the manufacture of iron and steel.

Aldermac concentrator produces two products by differential flotation — one a copper concentrate containing gold and silver, and the other high-grade iron pyrite.

Geological conditions at Aldermac are reported as similar to those of Noranda and sections of high-grade copper have been found in development work. The management, as a result, feels that there are good probabilities of encountering a high-grade copper-gold ore with further development.

The financial statement of the company as at Dec. 31, 1933, showed current assets of $1,325 as against current liabilities of $161,837, including $125,871 accounts payable, $966 wages accrued and $35,000 accrued bond interest unpaid.

In addition, there is a seven per cent first mortgage gold bond of $400,000, due in 1941. The authorized capitalization of the company is 5,000,000 shares of no par value of which 4,998,695 are issued. Of these Noranda Mines owns 990,850 shares and Towagmac Exploration Co., 3,528,345 shares.

The annual meeting of the company is called for April 28 in Montreal.

Slight Rise in Metal Price Is Needed By Lake Geneva

Shareholders of Lake Geneva Mining Co., subsidiary of Towagmac Exploration Co., are in receipt of annual report over the signature of James J. McFadden, pres., who states that a slight improvement in the base metal market would make the mine an attractive property. The balance sheet as at December 31, 1933, showed current assets of $200 as against current liabilities of $470. Of the authorized capitalization of 1,000,000 shares of no par value, 950,008 shares have been issued.

The annual meeting of the company is called for April 28 in Montreal.

BUFFALO CANADIAN TO START DRILLING

Contract is Signed With Sudbury Firm, Work to Start at Once

A diamond drilling contract has been let by the Buffalo-Canadian Gold Mines to the Oscar Smith Diamond Drilling Co., of Sudbury, and plans are laid to start drilling at once. Work will be under the company's engineer and it is expected drilling is to start in the vicinity of the No. 2 vein system, on which some 1,500 ft. of drifting has been done to date, indicating an average ore width of about four ft. On the No. 10 vein some 125 ft. of drifting has been done in recent weeks.

The company's holdings comprise 18 claims in Swayze township, near Brett Lake, acquired last year from G. H. Collins.

Funds for operation are being provided under an option agreement, which are stated to be sufficient to provide for continued work. Of the authorized capitalization of 3,000,000 shares of no par value, approximately 1,750,000 shares are outstanding

New Company Succeeds Queen Lebel Gold Mines

A new company is being formed with a 3,000,000 share capitalization to succeed the Queen Lebel Gold Mines, owning a gold prospect in Lebel township, at the eastern end of the Kirkland Lake camp.

Under the terms of the reorganization 1,000,000 new shares will be issued to the old company and shareholders will receive one new share for each two shares presently held. A meeting was held in Kitchener on April 16, to ratify the deal.

E. B. Knapp, former superintendent of Lake Shore Mines, is managing the company and the property is being put in shape to resume development work in the immediate future.

Freehold Oil Profits $31,084 For Two Years

Report of Freehold Oil Corp., covering operations in the Turner Valley field of Alberta, for the 24 months ended December 31, 1933, shows a net profit of $31,084, after depreciation, depletion and taxes, from a gross production revenue of $99,968.

Revenue from production after production expenses, royalties and sales tax was $77,581. Salaries and expenses of $6,517, depreciation of $26,095 and depletion of $22,923 gave an operating profit of $25,429 from which reserves were made of $98,000 for income tax in 1931 and $6,223 for Federal Income Tax, 1931, leaving a net profit for the 24 months period of $31,084.

The balance sheet of the company showed current assets of $345 and current liabilities of $48,043. In addition $66,652 is owing to the Union Drilling & Development Co.

Of the authorized capitalization of 1,000,000 shares of no par value, 946,322 have been issued.

Directors elected at the annual meeting March 24 last were F. R. MacDonald, pres.; R. L. MacMillan, vice-pres.; D. D. Manley and A. J. MacWilliam. H. MacMillan is managing-director and sec.-treas.

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BAGAMAC MEETING IS CHEERY DESPITE STORM AT MARKET

Shareholders Hear Prospects Good — Exchange Officials Demand Sales

Apparently oblivious to the marketwise rumblings which followed spectacular gyrations of its stock recently, annual meeting of Bagamac Rouyn Mines passed off at Haileybury last week in an atmosphere harmonious and optimistic.

The company has the money to go ahead, and the prospects are excellent, shareholders were told by R. C. Gamble, president. He said the diamond drilling programme now under way at the property would be continued, and probably 10,000 feet would be drilled to test the mineral conditions at a depth. Information regarding assays from drill cores was not forthcoming. The old board was re-elected for the ensuing year.

Meanwhile in Toronto all was not such plain sailing. After several days preliminary investigation, the committee of the Toronto Stock Exchange called on all members to give a full report on all dealings in Bagamac Rouyn stock between Wednesday, April 4, and Tuesday, April 10, inclusive. This marked the period of the stock's most violent fluctuations.

Members were instructed: (1) to report each day's trading separately; 2, to show all individual purchases and sales, setting out the names and addresses of customers, number of shares and price; 3, to describe all transactions involving two member firms under a split commission basis, and 4, to send all this information to Messrs. Oscar Hudson & Co., Exchange auditors.

New Power Syndicate Planning Line in Quebec

Planning to provide power, in opposition to Northern Quebec Power Co. and others, to 25 organized mining companies in the Quebec gold belt, Harricana Power Syndicate has recently applied to the Quebec Public Service Commission to approve the project.

It is planned by the syndicate to serve the belt extending from Cadillac Twp. eastward, past Malartic, Siscoe, Sullivan, Lamaque, Treadwell Yukon, Pascalis to the Tiblemont area and the town of Senneterre.

The power contracts to be offered by the syndicate will be based on initial price of $40 per h.p. year up to a delivery of 2,500 h.p., and the term of the contract will be 15 years or the life of the mine, if that should prove to be less than 15 years. It is expected the commission's ruling will be given on May 8.

Manitoba Coal Shipments

Shipments of coal out of Manitoba last year amounted to 897,513 short tons, according to a federal report on the Mineral Production of Canada, made up as follows. run-of-mine, 104,809 tons, screened, 346,513 tons and slack, 446,191 tons.

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Read-Authier Linked With Teck and Dome

Formation of New Company Under Way to Supplement Option Agreement With Dome Mines

Shareholders of Read-Authier Mines are in receipt of a report over the signature of Hector Authier, president of the company, advising that the company now has ties with two of Canada's largest gold producers—Teck-Hughes Gold Mines and Dome Mines.

Upon incorporation of Read-Authier on November 6, 1928, a group of mining claims were acquired in Bourlamaque Twp., Northwestern Quebec, from William A. Read. Preliminary exploration and development programme was financed by Mr. Authier and Louis Brochu early in 1929, but with the crisis later in that year the programme was abandoned to be revived in January, 1932, when Boston interests undertook to refinance the company. After taking up some 30,000 shares this option was dropped and toward the end of 1932 Teck-Hughes Gold Mines examined the property and did some preliminary diamond drilling under an option agreement that resulted, finally in the Lamaque Gold Mines being incorporated. Read-Authier received 700,000 Lamaque shares as vendors, and at the end of 1933 had an option to purchase a further 108,000 shares at 25 cents each. Being without sufficient funds to complete the option a director advanced $13,500, which together with the remaining cash in the treasury was utilized to exercise the option in full. Later 50,000 treasury shares of Read-Authier, at 50 cents each, and 8,000 shares of Lamaque Gold Mines at 75 cents each were sold to liquidate this indebtedness.

Get Adjoining Claims

In May, 1933, the company took an option on 36 claims immediately adjoining the Lamaque Gold Mines on the north and sold 125,000 treasury shares to provide funds for exploration. The option was exercised and 75,000 treasury shares have been issued in final payment to the vendors.

In February last 21 of these 36 claims were optioned to Dome Mines under an agreement which calls for the formation of a new company with an authorized capitalization of 3,000,000 shares. This is now under way. Read-Authier is to receive 1,200,000 shares in the new company and Dome Mines the remaining 1,800,000 shares under the option terms.

In consideration of the fact that Heber Bambrick, geologist, for Read-Authier, made the original discovery on the claims, he is to be given a bonus of 25,000 shares in the new company.

A financial statement as at December 31, 1933, shows expenses for the year at $2,954.

The balance sheet as at December 31, 1933, shows current assets of $3,529. In addition it holds 708,000 shares of Lamaque Gold Mines.

Current liabilities total $2,650 and in addition there is a loan from a director of $12,500.

Goodwill Gesture

All of the authorized capitalization comprising 3,000,000 shares of $1 each is issued, but 1,369,339 shares are held in trust to be sold for the benefit of the company.

Officials advised The Financial Post that rights to exchange shares of LaReine Mines on the basis of 100 shares of LaReine for 16 Read-Authier expired on April 1, 1933. This offer of exchange was made by Hector Authier, the president of Read-Authier, as a goodwill gesture to old LaReine shareholders when it became insolvent. Mr. Authier personally paid off all the liabilities and then offered the old shareholders rights, at no cost, to transfer LaReine shares into his new enterprise, the present Read-Authier Mines. Many shareholders are reported not to have taken advantage of this offer, regretting their course when the Read-Authier shares became valuable.

The annual meeting of the company is called for April 21 in Montreal.

Two Girls and Patron Saint Behind Gabrielle Discovery

Maj. Pelletier Reveals How Rice Lake Claims Were Christened in 1911

Two girls and a patron saint gave Major E. A. Pelletier inspiration in naming three of Manitoba's greatest mining ventures.

That was back in 1911, when Maj. Pelletier was many years younger, but not much more active, than he is today. And it was in 1911 that he immortalized his first best girl, Gabrielle, and his second best girl, Rachel. It was this way:

When the Boer war broke out, 19 year old E. A. Pelletier had just completed the long course at Kingston Barracks. He served in South Africa as a lieutenant in F Company, 1st batt. R.C.R.'s. After the Boers were subdued, he returned to Canada, and served, until May, 1910, as Inspector of the Royal Canadian Mounted Police, then the Northwest Mounted Police. His duties took him through the Yukon, N.W.T., and northern Manitoba and Alberta. It was probably in these years that he first felt the indefinable urge that only the prospector knows.

End of The Trail

In any event, he succumbed in 1910, resigned from the force, and started prospecting around Norway House, and the Lake Winni-

E. A. PELLETIER

peg area. In January, 1911, in company with Jack Spence, his Indian "chum" he was camped on Big Rise Lake, on what were later to become the Rachel, (second best girl) claims. All was snow, and prospecting was out of the picture. But the set-up looked interesting to the young prospector, and in May of the same year, this time with Duncan Two-Heart, another Indian, he returned and camped near to his former camping ground. Snow still covered the countryside, and the two men made camp and lit a fire.

Two hours later Pelletier, realized he had reached the end of the trail. On the rocks, baked by the heat of the fire he found free gold.

Pelletier staked the claim, and being young, named it after his best girl, his first best girl, Gabrielle back in his native Quebec. They pushed upshore, and a little further up staked another claim, and Pelletier, being chivalrous, named it after his second best girl, Rachel. Then, they staked the area in between, and Pelletier, being tactful and devout named it after his patron saint in order that peace might reign between the two girls, his best and his second best. Only he gave the area in between the Spanish name for his patron saint, and called the claim San Antonio. Then Pelletier, being human, hotfooted it back to civilization to cash in.

Here's The Moral

But this story has a moral. It is that tact and devoutness are the best policy, much better than chivalry and the impulses of youth. For Gabrielle and Rachel both married somebody else, and their namesakes, the claims, while both extremely promising, have as yet brought their discoverer nothing in actual cash. But San Antonio netted its finder $50,000 in cash, when he sold the property to its present owners. Just recently he sold the Rachel claim to the Forty Four Gold Mines for 12,000 shares in this company. He still retains a large interest in Gabrielle Mines, at present the scene of intense activity, as plans for further development are getting under way.

San Antonio Mines was the first dividend paying mine in Manitoba. Its backers claim Gabrielle Mine may eclipse its neighbor. Whether it will hold true in this case or not, it is a peculiar fact that the first claim to be staked in an area generally becomes the important one.

The story that Gabrielle mines got its name from Gabrielle Sinclair, an Indian, is a jumbling of fact, says Maj. Pelletier, pointing out that Gabrielle is the feminine form of the name.

Feeling that he has had enough of prospecting, Maj. Pelletier now makes his home at Chambly Basin, Que.

CANADA NORTHERN RUSHING NEW LINE

Quarterly Report Tells of New Developments in Territory

From Our Own Correspondent

MONTREAL.—Construction of the new transmission line from Noranda in the townships east of Rouyn is the principal development work being carried out by the Canada Northern Power Corp. at present. In the quarterly report to shareholders, B. V. Harrison, vice-president and general manager, had the following to report:

"Rapid progress is being made on the construction of the company's transmission line from Noranda Substation to the mines in the townships east of Rouyn Township, Quebec. This line, which as originally planned, was designed to extend to Cadillac Township, is being carried a further distance of 30 miles, making 62 miles in all which will serve the Siscoe area, a contract having been entered into with Greene-Stabell Mines, in Dubuisson Township.

"The existing mines in the Kirkland Lake area are all operating at full capacity, and in several instances plans for increased production are well under way, while greater power demands continue to be made, which your company is splendidly equipped to supply.

"Similar conditions exist in both the Porcupine and Noranda Camps, and in the Boston Creek area the Barry-Hollinger Mine placed its mill in operation in January, thus increasing its power load.

"From every angle the prospects of greater activity in the mining industry, due to the higher prices of both gold and silver, are unusually bright.

"Connection was made on February 1, between the company's system at Kirkland Lake and the power development at Abitibi Canyon, thus greatly increasing the available supply of power as it becomes necessary."

Reno Gold Mines Produce $31,321 Bullion in March

Bullion to the value of $31,321 was produced in March by Reno Gold mines on its Sheep Creek, B.C., property, according to W. A. Sutton, sec.-treas. This production covered 27 operating days. A change in clean-up day was made from April 5 to March 31.

TIFF FOR CONTROL OF PANDORA MINES GAINS MOMENTUM

Former Engineer Starts Proxy Battle to Oust Present Directorate

With their former-consulting engineer announcing he has severed his connection with the company, in order to devote himself to the cause of "sound" management, and company officials declaring the engineer was dismissed, and forbidden access to the property, a battle for control is raging in the camp of the Canadian Pandora Gold Mines, with property in Cadillac twp., northern Quebec, which threatens to come to a head at the annual meeting on April 21, in New Liskeard.

Charges and counter-charges followed the announcement of Douglas A. Mutch, former Pandora engineer, that he was seeking proxies in an effort to gain control and replace present company officials. Mr. Mutch claimed he had been promised the support of the interests now financing operations. He has charged directors with deliberately postponing date of the annual meeting, and of retarding development leading up to the production stage.

To all of which, officials, through J. W. Brown, vice-president, respond that Mr. Mutch was scheduled to leave the staff of the company on April 1, claiming that the mine was on the eve of production, and that therefore they did not need the services of a consulting engineer. They claim that without consulting officials, and contrary to instructions, Mr. Mutch approached the "certain unnamed financial interests" said to be underwriting a block of the company's shares which would place $320,000 in the treasury, and persuaded them that $200,000 was all the company needed. As a result, claims Mr. Brown, the underwriters sought to have the agreement changed, wanting to accept only $200,000.

On March 24, states the vice-president, Mr. Mutch was sent his cheque, and asked not to go on the property again. These instructions were not obeyed, states Mr. Brown, with the result that Mr. Mutch was summarily ejected.

Plan Big "Surprise"

As for postponing the annual meeting date, officials told The Financial Post that "important developments" were about to be announced at the 500-ft. level, and it was a desire to have this information for the shareholders, which prompted holding the annual meeting over until April 21. Just what these developments were, company officials refused to divulge, explaining they were saving it as a surprise for shareholders, and didn't want to spoil the effect, by letting the press tell them first.

As regards development, The Financial Post was told by J. P. Travis, Toronto representative of the company, that the production stage was "imminent." A contract had been signed last Christmas with the Quebec Power Corp. and, it was claimed, power will be available for the mine by the end of May or the first of June.

A letter has been sent out by John W. Rogers, president of Financial Agencies, Ltd., to shareholders of Canadian Pandora, proposing to support the re-election of three present directors, Hon. A. A. Dysart, W. C. Fisher and Arnold Ivey, and proposing to nominate the following new directors: Glen R. Snider, New York City; W. A. Taylor, New Liskeard, Ont., and Douglas A. Mutch, Haileybury, Ont.

May Fight Vote In Siscoe Scrap Doubt Legality

That the shouting and the tumult within the camp of Siscoe Gold Mines, which developed into a heated proxy fight resulting in the defeat of the former president, J. T. Tebbutt, threatens to break out anew, becomes a possibility with the charge from Mr. Tebbutt that a large number of votes counted at the April 13 meeting were invalid.

Mr. Tebbutt claimed, following the meeting, that the number of irregular votes amounted to 700,000, or somewhat in excess of the majority by which the new slate was elected. He added that the matter was being considered by solicitors, and should the suspicion of irregular votes be substantiated, he would take the whole matter to the courts.

In no way disputing the voting were the new board of management, elected after a bitter fight had been waged through the press and through the mails, the insurrectionists headed by W. A. Fensom. The new officers and directors are J. B. Lynch, pres.; W. A. Fensom, vice-pres.; H. E. Green, sec.-treas.; directors, J. B. Lynch, New York, W. A. Fensom, Col. W. I. Gear, Dr. Laurent Lussier, G. N. Coyle, Edwin C. Ford, T. H. Higginson, Stanley E. Siscoe, Montreal and P. E. Boivin, Granby, Que.

Drilling at Chibougamau Reveals Variety of Rock

Results of diamond drilling in connection with the new exploration campaign at the Cedar Bay property of Consolidated Chibougamau Gold Fields, gives the following result according to a wire received from officials of the company at Montreal:

Eighteen inches well-mineralized quartz cut at seven feet; seven and eight-inch quartz stringer encountered at 30 and 40 feet; a heavy mineralized vein at 70 to 87 feet showed mineralized chalco-iron pyrite and pyrrhotite. At 105 ft. drilling revealed 17 inches chalcopyritized quartz, with six inch stringer at 109 feet, mineralization consisting of chalco-iron-pyrite. At 149 feet, 44 inches of mineralized quartz-diorite-iron and chalcopyrite was cut and also 18 inches of heavy sulphides at 176 feet. Hole was discontinued at 201 feet, at which depth core showed quartz-diorite.

Metals Bulk Large in Quebec

The metallic production in Quebec Province in 1933, which made up considerably more than half of the whole mineral output—$16,343,411 out of $28,093,964—was made up as follows: Chrome, $343; copper, $5,214,177; gold, (at standard rate), $7,914,956 but which had $3,085,584 added as exchange equalization and silver, $178,351. The previous year's metal production was valued at $13,914,089.

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Operation figures for Canadian Airways for 1933 demonstrate in no uncertain manner the progress of air transportation in Canada.

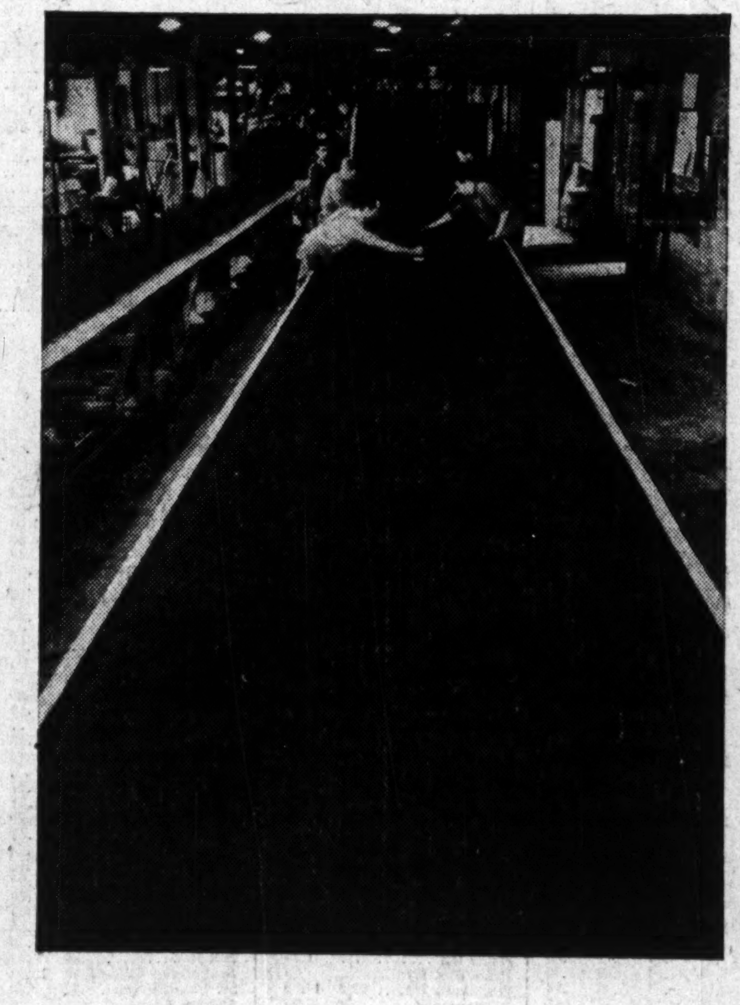
	1933	1931
Express & Freight (lbs.)	2,522,233	764,449
Mail	328,618	459,458
Passengers	16,942	8,047
Miles Flown	1,165,434	1,832,794

CANADIAN AIRWAYS Limited

MONTREAL WINNIPEG VANCOUVER

Toronto Office - 1430 Canadian Bank of Commerce Building
Edmonton Office - Richardson Bldg.

THE WIDEST RUBBER BELT EVER MADE IN CANADA!



THIS "SUPEREX" RUBBER CONVEYOR BELT is 68 inches wide, and is the widest rubber belt ever made in Canada! Of course, it was made by Gutta Percha.

Designed for one of the most severe services that can be encountered — the conveying of pulp logs — this broad "SUPEREX" Rubber Conveyor Belt is made from extra heavy, specially woven cotton duck, extremely high grade rubber friction to unite the plies, and a "carbon black" rubber cover of auto tire tread composition, hard and wear-resisting, yet fully flexible. "SUPEREX" Rubber Conveyor Belting is of unusual tensile strength, is waterproof, and in the pulp log installations already in service, have never cost one cent for upkeep.

The initial cost of "SUPEREX" Rubber Conveyor Belting is about one-third the cost of chain or channel iron conveyors.

We welcome enquiries from plant superintendents with unusual conveying problems. These pulp log conveyor installations, and others equally severe, will convince you beyond all doubt as to our ability to take care of your most troublesome conveyor problems.

GUTTA PERCHA & RUBBER, LIMITED

HEAD OFFICE: TORONTO, Canada, BRANCHES from Coast to Coast

The largest all-Canadian Rubber Company—Founded 51 years ago in 1883

MAKERS OF "SUPEREX" RUBBER BELTING